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I. Organizational matters

1. The annual session 2002 of the Executive Board of UNDP and UNFPA met from 17 to 28 June in Geneva. At the session, the Executive Board approved the agenda and work plan for its annual session 2002 (DP/2002/L.2), as orally amended, and the report of the first regular session 2002 (DP/2002/10).

2. It agreed to the following schedule of future sessions of the Executive Board in 2002 and 2003:

Second regular session 2002:	23-27 September 2002
First regular session 2003:	20-29 January 2003
Annual session 2003:	9-20 June 2003 (New York)
Second regular session 2003:	8-12 September 2003

3. The scheduled dates for the annual session were approved on a provisional basis and would be taken up at a forthcoming meeting of the Bureau of the Executive Board. At its annual session 2002, the Executive Board held a UNFPA special event on "The role of women and men in reproductive health in post-conflict situations, with a specific focus on the Great Lakes Region".

UNFPA segment

II. Report of the Executive Director for 2001

Annual report for 2001

4. In her statement to the Executive Board the Executive Director addressed several important issues, including the challenges that UNFPA faced. First, she took the opportunity to warmly congratulate the Swiss people on the popular initiative to join the United Nations. She went on to note that the annual report provided a comprehensive overview of the UNFPA programme in 2001. The report touched on major events, key activities in core programme areas, efforts to help programme countries build national capacity, and selected financial and programme highlights of UNFPA, both for the organization as a whole, as well as region by region. The report also contained information on items specially requested by the Executive Board, including the Fund's efforts in reproductive health commodity security and in humanitarian assistance; the status of financial implementation of UNFPA country programmes; and the Fund's multi-year funding framework (MYFF), among others.

5. The Executive Director highlighted the six organizational priorities of UNFPA designed to strengthen the Fund's capacity as the lead agency in implementing the Programme of Action of the International Conference on Population and Development (ICPD) and the ICPD+5 agenda and to increase the Fund's relevance in the global campaign to reduce poverty, protect and enhance human rights and promote peace and security. The first organizational priority for 2002 was to adapt

quickly to change. The UNFPA transition process had provided the opportunity to examine the internal working of the Fund and the external environment in which it operated, so as to identify immediate and medium-term reform needed to transform UNFPA into a more effective development organization. The second priority was to stem the tide of declining contributions. This was a top priority and a formidable challenge. The income situation for 2002 was not as promising as hoped, but UNFPA was encouraged by the recent additional contributions from the Netherlands and New Zealand, with indication of such contributions from others. Current projections showed a nearly 30 per cent drop in total income compared to 2001. A decision was still pending concerning the contribution of a major donor. She emphasized that, should the tide of declining resources continue, UNFPA would not be able to deliver its programmes to meet people's needs.

6. She noted that the third organizational priority for 2002 was to make UNFPA an effective force for development. The primary objective was to strategically position the Fund in international efforts to reduce poverty, protect and enhance human rights, and promote peace and security. To achieve that, UNFPA would firmly link its mandate with those initiatives, particularly within the context of the Millennium Development Goals (MDGs). The Fund would also seek to participate actively and effectively in such development frameworks as the Poverty Reduction Strategy Papers (PRSPs) and sector-wide approaches (SWAps) and build partnerships with government counterparts and other development partners – both within and outside the United Nations system. She stated that UNFPA had already taken action to seek support to build its capacity in those critical areas.

7. The fourth organizational priority was to be proactive in advocating the ICPD Programme of Action. In recent months, opponents had intensified their efforts to disrupt the implementation of the Programme of Action and undermine the work of UNFPA. The Fund would need to actively counterbalance the arguments and strategies of those opponents and foster an enabling environment to promote the ICPD Programme of Action and the work of UNFPA. She underscored that UNFPA recognized that the truth was its greatest ally, and the Fund would continue to follow the course in refuting distortions, disinformation, misinterpretations and lies wherever, and whenever they were encountered.

8. The Fund's fifth organizational priority was two-fold: (a) to clarify, better define and operationalize the concepts of reproductive health and reproductive rights in a coherent programmatic framework; and (b) to define a coherent and comprehensive humanitarian response strategy. The first would take into account, and be sensitive to, the diverse social and cultural settings in which UNFPA worked; the second would respond to the renewed focus on peace and security in the United Nations system. Towards that end two organizational units would be combined to form one in the Technical Support Division, called Culture, Gender and Human Rights. She thanked the Swiss Government for funding for the post. She observed that the sixth organizational priority anchored the other five. It was to manage for results. The aim was to fully mainstream the principles and concepts of results-based management (RBM) throughout the administrative and programmatic operations of the Fund. She underscored the importance of knowledge sharing and emphasized that it could significantly improve the quality and effectiveness of UNFPA programmes and operations, enhance staff interaction, foster a sense of team spirit at all levels, and greatly improve the support UNFPA provided to its country offices. UNFPA has

therefore developed a knowledge sharing strategy, which consisted of three main elements: people, process and technology.

9. She stated that none of the aforementioned work would have been possible without the support of the Governments of Sweden, Switzerland and the United Kingdom, as well as the support provided by The Bill and Melinda Gates Foundation, The William and Flora Hewlett Foundation, The John D. and Catherine T. MacArthur Foundation, The David and Lucile Packard Foundation, The Rockefeller Foundation, and the United Nations Foundation. She noted that all of the actions of the transition had been designed with the goal of strengthening UNFPA field operations. Examples of results to date in the different change areas were included in an information note entitled, "UNFPA in Transition: Implementing Change (June 2002)", which had been shared with members of the Executive Board at the informal briefing earlier in New York. She highlighted a few key results that demonstrated the Fund's commitment to implementing change, and that would have the greatest immediate effect in strengthening UNFPA field operations for the achievement of ICPD goals and relevant MDGs, namely, the design and application of a country office typology; the development of a human resources strategy; and ensuring a clear strategic direction.

10. Concerning the Fund's income situation, she stated that according to current projections, regular resources income for 2002 was estimated at $233 million. That was approximately 14.3 per cent less than the $268.7 million UNFPA had received in regular resources in 2001. She noted that the decrease was the result of several factors: fairly sizeable decreases in contributions in both national currencies and United States dollars from two major donors; the uncertainty of a sizeable contribution from one major donor; and the loss in United States dollars on exchange among five major donors that maintained their contributions at 2001 levels in their national currencies. She pointed out that the contributions of eight major donors increased in terms of both national currency and United States dollars. She underscored that regular resources were essential for maintaining the multilateral nature of the Fund's work and ensuring effective programme management. She added that other resources, such as multi-bilateral contributions, were also very important and helpful, as they were used to complement and supplement the activities financed by the regular resources. She outlined some of the potential consequences resource shortfalls could have on the Fund's country programmes.

11. She thanked all of the Fund's 120 donors for their support in 2001. She conveyed special thanks to the European Union Council of Ministers for Development Cooperation for their strong support of UNFPA and for the resolution adopted unanimously on 30 May 2002, signaling, inter alia, that the European Commission intended to strengthen its cooperation with UNFPA. The Executive Director also thanked the many parliamentary networks and parliamentarians throughout all regions for supporting and promoting the work of UNFPA.

12. During the discussion that followed numerous delegations thanked UNFPA for its leadership role in reproductive health and population matters. In particular, delegations appreciated the Fund's assistance and cooperation in national capacity-building, reproductive health, HIV/AIDS prevention, reproductive health commodity security, women's empowerment and advocacy. Numerous delegations expressed deep concern about the precarious funding situation of UNFPA. While

underscoring their full support for the Fund, delegations urged donors to increase their contributions to UNFPA in light of the commitments made at the conference on Financing for Development. Several delegations thanked Luxembourg for launching an initiative in the European Council to catalyse European support for UNFPA. Delegations were pleased to note that the European Union Development Cooperation Ministers had adopted a resolution, at their Council meeting in May, supporting UNFPA and calling for strengthened cooperation with the Fund.

13. Several delegations expressed concern regarding the false allegations, lies and disinformation leveled against UNFPA. While underscoring that truth would be the Fund's greatest ally, delegations condemned the campaign to discredit the Fund. Delegations expressed their full trust in the work of UNFPA and urged the Fund to proactively increase its visibility, including through increased dissemination of its publications. One delegation stated that the attacks on UNFPA had in fact served to make the Fund a much stronger organization. UNFPA had met the challenge by becoming even more transparent and increasing its awareness-raising work. Noting that reproductive health issues were often sensitive, complex and technical, the same delegation urged the Executive Board to set aside time during future sessions for briefings on the medical and social implications of reproductive health issues such as STDs, fistula and violence against women. The delegation urged UNFPA to convey simple and clear messages that underscored its valuable work in saving lives and improving the health of mothers and children.

14. One delegation called on other United Nations agencies, including UNDP, UNICEF and WHO to demonstrate their support for UNFPA and its work to improve the sexual and reproductive health of the poor. The delegation referred to a recent visit to China by three members of parliament from its country to examine UNFPA programmes that had been the subject of unfounded allegations of coercive family planning activities. One of the members of parliament had strong views against UNFPA prior to the visit. However, at a recent debriefing meeting with the Secretary of State in their own country, the three members of parliament had been unanimous in their statements of support for UNFPA programmes in China and had remarked that UNFPA was a real force for good in China. They were confident that UNFPA was not supporting coercive activities in China and that it was, in fact, a catalyst for reform and sexual and reproductive health care and rights in China.

15. Several delegations commended the Fund's progress with its transition process that aimed at providing UNFPA with both strategic direction and a streamlined structure to improve operational effectiveness. Delegations welcomed the Fund's new emphasis on the sociocultural context of programme development and delivery. Delegations stressed that it was important that UNFPA have a role in the follow-up to the World Summit on Sustainable Development (WSSD). One delegation asked how UNFPA perceived the challenge of engaging staff at all levels in the discussion on HIV/AIDS and the Fund's strategy. One delegation urged the Fund to be forthright and transparent in its reporting and to continue to refine its evaluation processes which should be impartial, objective and multi-tiered.

16. One delegation highlighted its country's support for women in development projects in Africa and announced the forthcoming launch of a new initiative to alleviate hunger in villages in rural Africa. The delegation hoped that the Fund's technical expertise could be utilized to reinforce those initiatives in Africa. Referring to adolescent reproductive health, the delegation urged UNFPA and

UNICEF to work closely so as to avoid duplication. One delegation encouraged UNFPA to study the UNDP experience with multi-donor thematic funds and consider ways and means to adopt thematic funding. The delegation observed that the example of Afghanistan and other emergency situations showed that UNFPA would benefit from more flexible financial mechanisms.

17. Several delegations commended the Fund's rapid response to emergencies and the humanitarian assistance it provided, including in Afghanistan. Some delegations encouraged the Fund to undertake South-South cooperation in Afghanistan, including with its neighbouring countries. Delegations were pleased to note the Fund's increased involvement in the consolidated appeals process and underlined that the Fund was well positioned to contribute to bridging the gap from relief to development.

18. Delegations stressed that building national capacity and promoting national ownership should be central to UNFPA activities. One delegation noted that capacity-building should not be confined to reproductive health but should include all aspects of population policy. One delegation stressed that UNFPA should make maximum use of local experts and also strengthen their capacity. Referring to paragraph 24 of the report (DP/FPA/2002/4 (Part I), one delegation wondered whether the Fund had a systematic approach to capacity-building. One delegation stated that it was important to formulate benchmarks and indicators for strengthening capacity-building. One delegation was concerned that UNFPA was using the "resource delivery rate" measure that did not accurately reflect programme performance. One delegation cautioned that the RBM approach should not lead to micro-management of UNFPA by donors or to the introduction of conditionalities for either UNFPA or programme countries.

19. Delegations stated that a number of the MDGs related directly to reproductive health and rights, the prevention of HIV/AIDS and the reduction of maternal mortality. One delegation noted that the report lacked a focus on the MDGs. The delegation stated that it was essential that ICPD goals on reproductive health be included and reported in the country-level reports on the MDGs. The delegation urged UNFPA to participate in the follow-up to the Millennium Declaration and to advocate the use of the MDGs in the CCAs, UNDAFs and PRSPs to give momentum to safe motherhood and the provision of basic health services to the poor. One delegation pointed out that while the General Assembly had requested a global report on the MDGs, there had been no approval given for country-level reports.

20. A number of delegations expressed support for the leading role played by UNFPA in the area of reproductive health commodity security. One delegation asked UNFPA to enhance the integration of reproductive health commodity security in the country programmes. The delegation urged UNFPA to finalize the list of essential reproductive health commodities and conduct country-specific surveys to avoid commodity shortfalls. One delegation encouraged UNFPA to adopt a proactive role in enhancing the production of reproductive health commodities in developing countries. The same delegation added that that objective could be advanced by further UNFPA procurement from those countries. In that regard, the delegation urged UNFPA to identify and dismantle entry barriers faced by companies from developing countries.

21. The Executive Director thanked the delegations for their strong statements of support and the confidence placed in UNFPA. She emphasized that resource mobilization was a top priority for UNFPA. As part of its resource mobilization strategy, the Fund was seeking to increase contributions, multi-year pledges, new donor partnerships and new income options. The Fund was also endeavouring to strengthen its partnership with the European Commission. She noted the success in establishing a partnership with the OPEC Fund, and underscored the success in cost-sharing with a number of programme countries.

22. Concerning the Fund's communication policies, she stated that UNFPA was a transparent organization and disseminated information widely, including through publications, videos and its web site. A crisis-response team had been established and it, inter alia, provided rapid responses to incoming queries. The Fund had provided a full range of information in response to recent queries from several governments. The Fund was arranging speakers for groups that requested them. She agreed with the delegation that had underscored the importance of conveying clear and simple messages about saving lives and healthy mothers and children. She underscored that truth was the Fund's best ally in confronting the false allegations levelled against it.

23. Regarding the MDGs, she noted that access to reproductive health had not been included in the eight MDGs, even though UNFPA had endeavoured to get it included. She fully concurred that access to reproductive health was essential to achieving the MDGs. She observed that the Fund was trying to ensure that countries would include information on access to reproductive health in their national reports. Three of the eight available national reports had included that indicator. She noted that the national reports were posted on the MDG website. She concurred that a global report had been legislated. She underscored that UNFPA was participating in the Secretary-General's initiatives concerning MDG follow-up, including the costing of MDGs; and various UNDG activities such as an international advisory panel and 14 working groups, inter alia, on poverty, gender, HIV/AIDS and maternal mortality. She stated that UNFPA was indeed trying to link the MDGs to PRSPs and SWAps, and it fully recognized the importance of participating in PRSPs and SWAps. Towards that end, a proposal was being prepared to seek support to enhance the Fund's capacity to participate in PRSPs and SWAps. Assistance, including training, would be provided to country offices to build such capacity. She noted that UNFPA had a joint training programme with the World Bank on PRSPs.

24. With reference to the Fund's new emphasis on the sociocultural context, she noted that UNFPA had organized meetings and workshops to discuss key issues and approaches. An effort was under way to systematize the incorporation of social and cultural issues in programme design, development and delivery. She stated that UNFPA was enhancing its relationship with faith-based organizations that had accepted the ICPD Programme of Action. She expected that by the end of the year guidelines would have been established.

25. The Executive Director noted that UNFPA had been actively involved in several humanitarian responses during the year, including in Afghanistan, where it was rehabilitating two hospitals and a school for girls. In partnership with other donors, UNFPA was also providing emergency health care. The Fund was supporting projects for refugees in Pakistan. She stated that UNFPA was the official coordinator

for reproductive health in Afghanistan, and the lead agency for establishing the population and statistics office.

26. With regard to the WSSD, she urged delegations to ensure that the linkage between population, environment and sustainable development was included in the declaration. She noted that by 2050 the population of developing countries would almost triple in size. She underscored that that would have serious implications for poverty reduction and sustainable development.

27. Concerning reproductive health commodity security, the Executive Director pointed out that workshops were being organized for field staff. UNFPA was also working with WHO on the list of essential reproductive health commodities and would produce a joint publication. She noted that UNFPA had begun a pilot initiative to cost reproductive health programmes so that country offices could better link resources with results. She stated that UNFPA already procured a number of reproductive health commodities from developing countries. She agreed that any barriers preventing procurement from developing countries should be eliminated.

28. Regarding the query on HIV/AIDS, she noted that UNFPA had adopted the ILO code on HIV/AIDS. The Fund was providing HIV/AIDS information to its own staff and recognized the importance of making information available in local languages and promoting peer counselling. UNFPA planned to hire an HIV/AIDS adviser to address the needs of the Fund's own staff. She noted that there was a need to develop skills on how to speak about HIV/AIDS, ensuring that people were not stigmatized.

29. Noting that it had only been a year since the transition process had begun, she stated that implementation activities would begin in July. She informed the Executive Board that a Strategic Planning Unit would be established in the Office of the Executive Director. As part of the Fund's realignment, a Knowledge-Sharing Branch had been established and the Humanitarian Response Group would now report directly to the Deputy Executive Director (Programme). In September, UNFPA would present its human resources strategy to the Executive Board at the second regular session.

30. The Executive Director underscored that the Fund's capacity-building efforts were not confined to reproductive health but covered all aspects of population. With regard to population policy, UNFPA had worked with numerous governments to establish population units and various coordination mechanisms. She underlined that national execution had always been the Fund's policy. UNFPA depended on national staff for its programming. The Country Technical Services Teams (CSTs) played a key role in providing technical assistance and strengthening capacity-building of staff and institutions at national, regional and subregional levels.

31. She agreed that RBM should not create any conditionality and noted that in paragraph 11 (a) of decision 98/24 it had been clearly stated that the MYFF would not introduce any conditionality. Regarding thematic funding she noted that UNFPA had some experience in that area and would also compare notes with UNDP on the subject. She underscored that eradicating poverty was at the heart of the MDGs and the ICPD and UNFPA was guided by that overarching concern. She noted that the Fund's next report on State of World Population would focus on population and poverty.

32. The Deputy Executive Director (Programme) assured the Executive Board that UNFPA was working seriously on the ICPD mandate, in partnership with governments, bilateral and multilateral agencies and NGOs. He noted that steady progress was being made in the area of coordination. The Fund was also committed to providing leadership in the area of reproductive health commodity security. He expressed concern about the safety of staff in war-torn countries. He noted that in areas of conflict and strife difficulties in programme implementation would be encountered. He underscored the Fund's key role in humanitarian assistance and stated that UNFPA was fully participating in the consolidated appeals process.

The multi-year funding framework

33. During the discussion on the Report of the Executive Director for 2001: the multi-year funding framework (DP/FPA/2002/4 (Part II), several delegations welcomed the excellent progress made and the attempt to document results. Delegations agreed with the key considerations put forth in the MYFF. Delegations noted the improved quality of the report and hoped that further improvements would be forthcoming. One delegation stated that it was already time to begin considering the next MYFF cycle and how to refine it. One delegation, while appreciating the activity table, observed that it was difficult to determine the number of countries in which results had been achieved, who were the beneficiaries, and how many people had benefited from the programmes. The delegation added that it would welcome an analysis of lessons learned and applied. One delegation stated that the report should discuss in greater detail global and regional programmes as well as programmes financed through other resources. Numerous delegations emphasized the importance of national capacity-building and underscored that it was a key to success. One delegation stated that it was encouraged by UNFPA efforts to develop national capacities in the area of reproductive health commodity security. The delegation added that that could be further enhanced by undertaking procurement from developing countries. In that regard, UNFPA should identify entry barriers faced by firms from developing countries and should organize a procurement seminar to inform developing countries about its procurement policies and to learn from them what they perceived as barriers.

34. Several delegations expressed concern regarding the availability and reliability of data and urged UNFPA to invest more in that area, including continuing its efforts to build data collection capacities in programme countries. One delegation cautioned that in helping countries to build their statistical systems the Fund should avoid creating parallel systems. Delegations asked about UNFPA collaboration with other partners in improving the reliability of data and wondered to what extent UNFPA was pooling resources, expertise, and lessons learned with other operational United Nations agencies to arrive at a common strategy that best addressed the data issue. One delegation urged UNFPA to develop practical measures and guidelines for building national capacity in the collection and analysis of data as part of any new country programme. One delegation encouraged the Fund to strengthen its partnership with programme countries to enable them to take a leading role in such areas as programme development, evaluation and monitoring. The delegation welcomed the ongoing information exchange between UNFPA headquarters and the

country offices and between the country offices and governmental and non-governmental organizations.

35. Delegations commended the Fund's efforts in mainstreaming gender equality and equity. One delegation encouraged the Fund to increase its collaboration with United Nations Development Group (UNDG) partners, particularly with regard to the CCA and UNDAF and urged the Fund to enhance its participation in SWAps and PRSPs. Regarding the Fund's new emphasis on cultural values, the delegation underscored that it should be in the context of and in line with universal human rights. The delegation noted that the MYFF served as a tool to increase the Fund's visibility and to define the challenges ahead. The delegation stated that the Board should look at how the MYFF could be made a tool for generating regular resources and suggested that informal inter-sessional discussions on that topic should be held. Noting that the MYFF report was a tool for UNFPA to assess its own performance, one delegation pointed out that it was the demonstration of effectiveness that would encourage donors to increase their contributions to UNFPA.

36. Delegations supported the addition of two goal indicators -- contraceptive prevalence rate and the proportion of population whose income was less than $1 a day -- to reflect UNFPA contribution to the MDGs and ICPD goals. Delegations were pleased to note that eight of the MYFF goal-level indicators corresponded to the MDG indicators. One delegation encouraged UNFPA to further quantify indicators and suggested the use of a series of intermediary indicators that were more operational and for which data could be collected more easily. One delegation remarked that the collection of sex-disaggregated data should be a priority.

37. Delegations urged UNFPA to rationalize and reduce the multiplicity of reports and sections of reports. The delegations asked that earlier decisions be reviewed with a view to consolidating reports and discontinuing those not considered essential.

38. One delegation stated that higher priority should be given to developing and promoting evidence-based monitoring and evaluation tools at the country level so as to more effectively measure the success or failure of a specific strategy in achieving MYFF outputs. Clear definitions of expected results and measurement indices would help country offices move from subjective assessment of success toward more empirical programme evaluation that would facilitate better coordination with other similar programmes. The delegation agreed that additional investments in data collection and analysis were needed for evidence-based policy formulation and informed decision-making. The delegation acknowledged the steps taken by UNFPA to promote a culture of performance within the organization and asked what progress had been made by the Fund in building staff capacity in understanding the importance of RBM and the relevance of the MYFF. Specifically, the delegation wished to know whether the adoption of a results-based approach had measurably improved the Fund's organizational and programmatic performance. The delegation applauded the reference made in the Executive Director's report to accountability and concurred that it was imperative for UNFPA to demonstrate a direct correlation between resource use and the achievement of results.

39. In her response the Executive Director stated that she had taken note of the comments concerning enhanced participation in PRSPs and SWAps and the use of the MYFF as a tool to improve the Fund's own performance. She welcomed the recommendation by delegations that the multiplicity of reports should be

rationalized and streamlined. Regarding the issue of the reliability of data, she pointed out that the matter had been discussed among the UNDG partners and it had been agreed that countries should not be burdened with separate demands for data. It was further agreed that agencies should utilize the data set prepared for the CCA and UNDAF. She concurred that greater investment and increased resources were needed to build national capacity in data collection and to strengthen data systems. She observed that that would remain a priority for UNFPA. She underscored that the Fund's emphasis on cultural values was squarely within the human rights approach. She took note of the suggestion that UNFPA organize a seminar on procurement policy. She stated that UNFPA as an organization was deeply committed to RBM and the Fund was engaged in a transition process that, inter alia, emphasized developing a culture of performance.

40. The Chief, Office for Results-based Management (ORM), thanked the delegations for their constructive comments and noted that UNFPA had been engaged in a steep learning curve. The MYFF report was based on only 18 months of implementation. She assured the Executive Board that UNFPA would continue to make improvements in future reports. She took note of the suggestion that the next MYFF report should have greater detail. She noted that UNFPA would undertake an intensive review of its experience and analyse its successes and challenges. She stated that data availability was a problem at the international goal level as well as at the country level. There were difficulties with regard to the periodicity of national data. She stressed that the report was not based on self-assessments but on actual data provided by country offices. She pointed out that UNFPA always endeavoured to avoid creating parallel data systems. Concerning quantifying indicators, she noted that it would be difficult to aggregate data for comparability. She noted that the logical frameworks at country level included targets and data. She stated that building national capacity was fundamental to the work of UNFPA. She noted that in developing an evidence-based strategy UNFPA strived to build on its own knowledge assets and those of its development partners. She added that UNFPA was focusing more on knowledge sharing and not just on information sharing.

41. Regarding the query on collaboration, she stated that, at the country level, a great deal of collaboration took place at a planning level in the development of the country programmes and their results and resources frameworks. She underlined the importance of partnerships for data collection. She concurred that the CCA was a crucial document for the United Nations system and UNFPA needed to ensure that gender, population and reproductive health issues were adequately reflected in the CCAs. She underscored that international collaboration and cooperation were essential, particularly in view of the Fund's limited resources. She agreed that PRSPs and SWAps presented valuable opportunities to establish coherent partnerships and to advocate for population and reproductive health issues.

42. The Executive Board adopted decision 2002/5 (see annex), UNFPA annual report and funding commitments.

43. Following the adoption of decision 2002/5, the delegation of the United States took the floor to provide an explanation of its position. The delegation stated that though it had joined the consensus on decision 2002/5 its Government had serious reservations to elements of the Programme of Action contained in the report of the International Conference on Population and Development (ICPD). The delegation emphasized that in any reference to agreed goals and targets contained in the ICPD

Programme of Action, especially as they related to reproductive rights and reproductive health, the United States took into account the reservations contained within that document as adopted by the General Assembly. The United States fully supported the principles of voluntary family planning, but did not understand the term "reproductive health" to include in any way abortion, abortion-related services, or the use of abortifacients. The United States did not include the treatment of injuries or illnesses caused by illegal or legal abortion, for example post-abortion care, among abortion-related services. Over the last three decades, the United States had been a generous donor to population and development programmes. It was committed to maintaining that leadership role. Its funding, however, like that of other members, was subject to and guided by national legislation and priorities. Any funding commitments made, interpreted or implied in the decision would be subject to and guided by national legislation and priorities.

III. Funding commitments to UNFPA

44. The Executive Director introduced the report entitled Funding commitments to UNFPA: Report on voluntary contributions by Member States to regular and other resources for 2002 and future years (DP/FPA/2002/5). She emphasized that resource mobilization was a fundamental priority of UNFPA. She stated that as indicated in the report the Fund's income situation was precarious at the present time. The Fund was very vulnerable to any fluctuation in the funding level of its top 15 donors. Those donors were currently responsible for 95 per cent of UNFPA regular resources. She stated that UNFPA was working hard to obtain more funding balance by widening and broadening its donor base to ensure income stability and increase contributions. She noted that while there was uncertainty about the contribution of one major donor, there were some encouraging signs of emerging financial support from many developing and transition countries. She thanked all the donors for their support and expressed deep appreciation to those that had made their highest contribution during the 1999-2002 period, namely, Belgium, Ireland, Italy, Luxembourg, the Netherlands, Switzerland and the United Kingdom. She stressed the shared responsibility and importance of the support of the Executive Board to the Fund's resource mobilization efforts. She expressed her deep gratitude to the Netherlands, Norway and Japan, the Fund's top three donors. She underscored that for UNFPA to carry out its mission and to support the fight against poverty it would need the strong financial and political commitment and support of the Executive Board and all Member States.

45. The Chief, Resource Mobilization Branch (RMB), provided an update on the current income situation and noted that 73 written pledges had been received, with 26 countries having made multi-year pledges. He thanked all the donors for their contributions and expressed special appreciation to those that had increased their contributions. He noted that early payments helped UNFPA with its cash flow. He underscored the paramount importance of regular resources. He observed that UNFPA was focusing on maintaining the strong support of its major donors while at the same time it was seeking to expand and broaden its donor base. He stressed that the Executive Board members had a key role to play in increasing the Fund's regular resources and he appealed for their support and invited their ideas and suggestions.

46. Several delegations took the floor to express their support for UNFPA and to underscore the need to increase the Fund's regular resources. Delegations were concerned about the Fund's precarious financial situation and recalled the donor commitments made at the conference on Financing for Development. Several delegations commended the Fund's efforts to broaden and expand its donor base, particularly in light of the fact that dependence on a small number of donors did not make for a stable situation. While welcoming the increase in other resources, including thematic funding, delegations emphasized that those funds should not be regarded as a substitute for regular resources. Concerning thematic funding, some delegations noted that the subject should be further discussed by the Executive Board. One delegation stated that it was important to use the harmonized terminology of "regular funds" and "other funds". The delegation added that the term "voluntary contribution" should be eliminated as it only left the door open for cuts in contributions. One delegation observed that multi-year pledges were not always possible due to changes in government and the inability to prejudge the decisions of future governments. One delegation pointed out that if it was possible for governments to make multi-year pledges to the regional banks, IFAD and GEF, surely the same could be done for UNFPA. The delegation urged that the organizations be treated at an equal level. Concerning carry-overs, the delegation stated that frequently there were good reasons for them and donors should extend the same understanding to the Fund, in that regard, as they did to the big financial institutions. Some delegations urged the Fund to rationalize the reports submitted to the Board, noting that some reports requested years ago might not be needed now.

47. The delegation of Finland provided the exact amount of its contribution for 2002, i.e., 12.45 million euros, and 2003, i.e., 12.95 million euros. The delegation observed that its 2002 contribution was an increase of 11 per cent (in dollar terms) over the previous year. The delegation hoped that UNFPA would allow its contribution to rest in euros for greater value. The delegation of Ireland stated that its country was contributing more than 1.8 million euros in 2002, and would increase that amount in 2003. The delegation of Japan stated that due to its severe situation of official development assistance (ODA) it would be decreasing its 2002 contribution by 19 per cent. The delegation added that Japan's contribution of $39.517 million was subject to final clearance by the financial authorities in its Government. The delegation requested UNFPA to provide it with additional financial information. The delegation of the Netherlands stated that to underscore its strong support for UNFPA and to stress its commitment to the ICPD Programme of Action, its Government would increase its contribution with an additional 2 million euros, bringing up its total contribution for 2002 to 60.5 million euros. The delegation of Sweden announced that its 2002 contribution of 165 million Swedish kroners was a 3 per cent increase over the previous year's contribution. The delegation of the United Kingdom announced that it would maintain its funding level at 15 million pounds and that would also be the baseline for the next two years. The delegation stated that its country was considering an increased contribution in 2002 and confirmation of that would depend on the impact of the UNFPA transition plan, particularly the impact on country level performance. The delegation of Viet Nam announced that its Government's 2002 contribution to UNFPA reflected an 8 per cent increase over the previous year.

48. The Executive Director thanked the delegations for their support. She stated that she understood the constraints faced by some countries with regard to multi-year

pledges. She took note of the observations made by delegations concerning thematic funds and stated that UNFPA would also compare notes with UNDP on that subject. She fully agreed with delegations that other resources should not serve as a substitute for regular resources. She stated that UNFPA would examine and rationalize the multiplicity of reports and would report back to the Executive Board on that matter. Regarding carry-overs, she noted that in some countries the implementation rate was not as planned and that had resulted in carry-overs. She noted that the Fund was examining the issue on a country-by-country basis.

49. The Deputy Executive Director (Management) noted that in keeping with General Assembly resolution 56/201, UNFPA along with other United Nations Development Group (UNDG) partners was engaged in an effort to simplify and harmonize rules and procedures pertaining to an array of issues, including national execution, decentralization and delegation of authority, personnel matters, financial procedures and information technology. She noted that to pursue that work UNDG had established a joint working group on simplification and harmonization, with membership of both the Programme Group and Management Group. The latter two groups were subcommittees of the UNDG Executive Committee, of which she herself was chairing the Management Group. Several workshops had been held and the groups would be preparing major recommendations to improve efficiency, reduce transaction costs and maintain accountability. She anticipated that results would be forthcoming in a year. She added that financial procedures were being simplified and harmonized to improve financial management, including addressing the issue of expenditure reporting. She noted that at the country level progress was also being made in simplifying reporting procedures. In that regard, she observed that automation would play a key role.

50. The Chief, RMB, thanked the delegations for their useful comments. He took note of the suggestion that the term "voluntary contribution" be avoided and stated that UNFPA would continue working to harmonize terminology. He also took note of the observations on thematic funding and pointed out that UNFPA always attempted to link other resources to its country programmes.

51. The Executive Board took note of the report on funding commitments (DP/FPA/2002/5) and adopted decision 2002/5, UNFPA annual report and funding commitments.

IV. UNFPA and sector-wide approaches

52. The Deputy Executive Director (Programme) introduced the report on UNFPA and sector-wide approaches: follow-up to decision 2000/8 (DP/FPA/2002/6), which was submitted to the Executive Board in response to decision 2000/8. He noted that UNFPA attached great importance to its involvement in sector-wide approaches (SWAps), particularly as they afforded major opportunities to integrate reproductive health and gender concerns in health and education sector programmes and to further the agenda of the International Conference on Population and Development (ICPD) and the key actions of ICPD+5. He highlighted efforts undertaken by UNFPA to increase its involvement in SWAps, including an expert group meeting in October 2000; a guidance note; a meeting for field staff in November 2001; a training course developed in collaboration with the World Bank; initiating small

inter-divisional support groups composed of technical and programme staff from headquarters and the Country Technical Services Teams (CSTs); and the issuance of a circular in December 2000, effectively removing the final obstacles to the full participation of UNFPA in SWAps and common-basket funding arrangements. He thanked the Governments of Sweden, Norway and the Netherlands for the support they had provided for selected government and UNFPA staff to be trained by the Institute for Health Sector Development on SWAps, based in the United Kingdom.

53. He stated that while there were no barriers to the Fund's participation in common-basket funding arrangements, UNFPA participation in SWAps had been primarily through parallel funding arrangements. He pointed out that concerns regarding the attribution of inputs and accountability for outputs were factors that made UNFPA Representatives reluctant to utilize common-basket funding. He clarified that UNFPA, like several of its counterparts in the United Nations system, viewed itself primarily as a collaborating, rather than a funding partner, in a particular sector – offering technical expertise, experience and know-how – and playing a pivotal advocacy role. He noted that UNFPA had played such a role in a number of instances, including in connection with the SWAps in Bangladesh, Ethiopia, Malawi, Senegal, the United Republic of Tanzania and Zambia. He observed that staff capacity was still limited. However, as UNFPA experience with SWAps increased, and with the continued support and encouragement of the Executive Board members, UNFPA would make further improvements and become a more effective partner in SWAps.

54. During the discussion that followed, several delegations expressed appreciation for the very useful report. One delegation cautioned that while SWAps were useful it was necessary to ensure that the neutrality of multilateral assistance was not diluted by specific donor agendas. The capacity of the recipient Government to exercise a leadership role in the SWAp process was critical. The delegation stated that the autonomy of government decision-making might not be constrained in countries where official development assistance (ODA) constituted a small percentage of development budgets. But there was a danger that in countries with large ODA, Governments, while notionally leading in the SWAp process, would in effect have to abide by the policy prescriptions coordinated between donors. It was therefore essential that the coordination of SWAps be undertaken by recipient Governments. The same delegation added that common-basket funding was not necessary for the adoption of SWAps. Since common-basket funding presented a number of difficulties, as documented in DP/FPA/2002/6, it should be used only on a case-by-case basis, under national leadership, after carefully weighing the pros and cons. The delegation pointed out that accountability was diluted in the SWAp process, particularly for those partners whose financial contributions were relatively small. Thus, UNFPA could not be expected to deliver on both fronts and donors needed to give that some thought.

55. One delegation, speaking also on behalf of 11 other delegations, acknowledged with appreciation the effective role that UNFPA was playing in a number of SWAp processes, notably in Bangladesh, Ghana, Malawi and Mozambique, and encouraged the Fund to play a full part in the SWAp discussions in other key countries. The delegations underscored that without the Fund's intellectual input the argument for reproductive and sexual health and rights would not be heard in the SWAp discussions. UNFPA, they observed, had a key role to play in ensuring that reproductive health, gender and women's equity, as well as young people's

reproductive and sexual health and rights, were given prominence within the sector mechanisms. The delegations stated that the Fund's involvement in SWAps should not be limited to the health sector and should include other sectors such as education and social affairs. The delegations urged UNFPA Representatives who had not yet committed themselves to the SWAp process to do so as a matter of urgency. The delegations noted that UNFPA, as the lead agency for the implementation of the ICPD Programme of Action, needed to increase its participation in the development of poverty reduction strategy papers (PRSPs). In general, issues like reproductive and sexual health and rights and population and development had not received the attention and weight they deserved in the PRSPs. The delegations also urged UNFPA to increase its involvement in the global efforts to reach the Millennium Development Goals (MDGs). The delegations commended UNFPA for its close collaboration with the World Bank Institute in developing a training course in health-sector reform and SWAps and encouraged the Fund to continue the collaboration and expand training opportunities for its staff. The delegations requested UNFPA to report on its role and activities in SWAps as part of the annual report of the Executive Director. The delegations also proposed that at the next joint session with the UNICEF Executive Board, with the participation of the World Food Programme, to be held in January 2003, there should be a discussion on SWAps, focusing on an exchange of experiences, practical problems and lessons learned, including on the issues of attribution and accountability.

56. One delegation noted that the difficulty in tracking funds raised concerns about attribution and accountability, as emphasized in paragraph 14 of the report (DP/FPA/2002/6). Observing that there seemed to be a "competition" between efficiency and "institutional egos" in the implementation of SWAps, particularly with regard to common-basket funding, the delegation requested clarification on the issue. One delegation, citing paragraph 13 of the report (DP/FPA/2002/6), asked how the issues raised therein about common-basket funding could be dealt with, namely the reduced visibility for UNFPA-supported programmes; uncertainties about the transparency of financial disbursements; lack of timely reporting raising concerns about financial accountability; and the problem of tracking funds and linking individual donor inputs to outputs. The delegation asked why no country had resorted to common-basket funding. While underscoring that leadership and ownership by programme country governments was essential in the SWAps, the delegation wondered if heavy donor funding would impact and bias local leadership.

57. One delegation noted its disappointment that the report was relatively general and had not provided concrete examples of the Fund's experience with SWAps. The delegation agreed with the proposal made by several other delegations that SWAps be discussed at the joint Executive Board session in January 2003. The delegation concurred that visibility and accountability were key issues pertaining to common-basket funding that were not easy to resolve. The delegation favoured the Fund's collaborative arrangements with other development partners, including the collaborative training programme with the World Bank. The delegation encouraged learning by doing and emphasized that UNFPA expertise and intellectual know-how were needed in collaborative arrangements with other development partners. The delegation emphasized that the collaboration should be done gradually and UNFPA should adopt a step-by-step approach to SWAps.

58. One delegation concurred with the previous speaker, noting that collaborative arrangements should be encouraged. The delegation considered SWAps to be very

important and requested UNFPA to promote existing mechanisms and to give emphasis to country mechanism through advocacy. The delegation noted that in the common-basket funding each sector would be considered separately and such complexity should be avoided. The delegation pointed out that it was important to promote national capacity, together with promoting the capacity of UNFPA. One delegation encouraged UNFPA to participate fully in SWAps and stated that UNFPA brought real value-added to the SWAps. Referring to the heavily indebted poor countries (HIPC) initiative, the delegation stated that it supported SWAPs as a pragmatic approach, particularly for easing debt. The delegation concurred with an earlier speaker who had recommended that UNFPA adopt a step-by-step approach to SWAps.

59. One delegation, while noting that the report was excellent, expressed the following concerns: while SWAps were a useful tool for efficient programme implementation there existed a variety of implementation modalities, and thus a mixture of modalities should be utilized; accountability within the common-basket funding needed to be demonstrated; coordination of aid modalities was needed to reduce transaction costs; and simplification of methodologies and procedures was desirable and should be explored. The delegation concurred with the view expressed by earlier speakers that the Fund's involvement in SWAps should be a step-by-step process.

60. One delegation, while agreeing that SWAps added a useful tool to the arsenal of development approaches, stated that any development tool should remain flexible, and different tools were needed to meet the varying development needs of different countries. The delegation encouraged UNFPA to become involved in SWAps, if, and when, such an approach fit in well with its overall programming.

61. The Deputy Executive Director (Programme) thanked the delegations for their comments and advice and was pleased to receive the Executive Board's endorsement for UNFPA to follow a step-by-step approach to SWAps. He took note of the concern expressed by a number of delegations regarding the need to maintain the central role of Governments in the SWAp process. He stated that UNFPA would follow a step-by-step approach, at the same time the Fund wished to respond to the donors' recommendation that it increasingly participate upstream, including in policy dialogue. He agreed that UNFPA should participate in SWAps in various sectors and not just the health sector. He added that UNFPA was particularly interested in influencing education SWAps. He underscored that even though UNFPA was small in size it had an important advocacy role to play. He noted that UNFPA was in the process of building staff capacity as well as the capacity of government counterparts. The Fund recognized that it needed to be at the table in order to ensure that the PRSPs, United Nations common country assessments (CCAs) and United Nations Development Assistance Frameworks (UNDAFs) focused adequate attention on population dynamics and reproductive health issues. He agreed that it would be useful to have a joint session on SWAps in January 2003 and he added that the United Nations Development Group (UNDG) should also take up consideration of SWAp-related issues. He stated that UNFPA had taken note of the Board's recommendation that SWAp activities and experience should be included in the annual report of the Executive Director. He concurred with the delegation that had highlighted the importance of the Fund's role in collaborative arrangements. He took note of the SWAp link to the HIPC initiative and the pragmatic approach suggested by one delegation. He also took note of the various

concerns expressed by another delegation, including the need to utilize a variety of programming modalities.

62. The Director, Technical Support Division, thanked the Executive Board members for their support and very helpful comments. She noted that UNFPA had taken note of the advice offered by the Board. She observed that the Fund's participation in SWAps was a work in progress. UNFPA had taken note that Board members had emphasized that there was no one standard approach for development programming and that the Fund should adopt a step-by step approach to SWAps. She noted that UNFPA was learning by doing. In that regard, she invited Board members to share with UNFPA their own SWAp experiences and lessons learned. Concerning the comment made by one delegation that the report was rather general, she noted that the report (DP/FPA/2002/6) was a supplement to two earlier reports that had elaborated on the Fund's experience with SWAps. She added that UNFPA would provide additional information at the joint session in January 2003. She agreed that the issues of attribution, accountability, monitoring and evaluation raised concerns that needed to be addressed. She emphasized that UNFPA was deeply committed to national capacity-building and to government ownership of the programme and the process. She assured the Board that UNFPA would follow a cautious step-by-step approach to SWAps, always ensuring government leadership.

63. The Executive Board adopted decision 2002/6 (see annex).

V. Evaluation

64. The Chief, Office of Oversight and Evaluation (OOE), introduced the periodic report on evaluation (DP/FPA/2002/7) submitted to the Executive Board in response to Governing Council decisions 82/20 and 90/35A. She noted that the level of resources devoted to external evaluations rose from about $3.6 million in 1998-1999 to about $4.4 million in 2000-2001. In 2001, UNFPA initiated two thematic evaluations to assess UNFPA strategies and approaches to HIV/AIDS prevention and to analyse the Fund's contribution to national capacity-building. She stated that during the biennium a number of steps had been taken to strengthen institutional capacity in results-based management (RBM), including monitoring and evaluation. For example, several regional workshops had been organized; training modules had been developed and made available via the Internet and the intranet; feedback had been utilized to inform the planning of other staff development activities and to refine monitoring and evaluation policies and procedures; programme planning and reporting formats had been revised; the UNFPA programme manager's monitoring and evaluation toolkit had been launched; and an inter-divisional working group had been established to revise and update the programming guidelines, including the guidelines for monitoring and evaluation. Overall, there was an increased focus on knowledge-sharing and organizational learning, including capitalizing on the knowledge generated through monitoring and evaluation. She observed that many challenges lay ahead. Nevertheless, UNFPA was committed to utilizing evaluation not only as an accountability tool but also as a management and learning asset.

65. During the discussion that followed, one delegation stated that the purpose of country-level evaluations should be to help countries develop their programmes. Thus, a comprehensive evaluation should take place before the current programme ended so that lessons learned could be fed into the development of the new

programme. The delegation added that the programme country should play a central role in evaluation and programme development as they would be better aware of the country situation, problems and priorities. In addition, local experts should be utilized, particularly as they would have no language barriers and would have a thorough knowledge of the local conditions. The delegation was pleased to take note of and express support for the Fund's use of local experts. The delegation also expressed appreciation for the technical expertise and comparative advantage of the UNFPA Country Technical Services Team (CST) members, but added that the CSTs should play an advisory role in programme evaluation and not dominate the process.

66. One delegation, speaking also on behalf of five other delegations, thanked UNFPA for the excellent report and noted that it indicated the Fund's commitment to investing in evaluation and a results-based management approach that would have positive results in programming. The delegations were encouraged by the Fund's increased focus on evaluation and RBM, that echoed the efforts under way in bilateral agencies. The delegations encouraged UNFPA to further rely on the tools and other resources that had been developed to address its technical assistance needs with respect to evaluations and RBM. The delegations stated that in order to define indicators and identify methods for their measurement, it was necessary to first agree on the parameters of the development dimension that was to be measured. Thus, UNFPA was encouraged to increase its participation in ongoing international and inter-institutional efforts to develop conceptual frameworks and indicators for measuring capacity-building. The delegations hoped that UNFPA would contribute to and benefit from an increasingly systematic and rigorous treatment of the subject in the future.

67. The same delegations were pleased to note the introduction of a results framework in the country programme outlines and they encouraged UNFPA to invest further in its use and development. The delegations were also pleased to note the discussion in the report (DP/FPA/2002/7) on the role of evaluation in shaping the Uganda country programme and they looked forward, in the future, to hearing more about examples similar to the Uganda model. The delegations recognized that UNFPA had limited personnel and resources at headquarters and they encouraged the Fund to continue its endeavours in the framework of coordinated multi-partner efforts in developing monitoring and evaluation plans for HIV/AIDS. In that regard, greater standardization in the indicators and mechanisms for monitoring and evaluating HIV/AIDS programming across donors and national counterparts were essential for coordinating investments in curbing the epidemic. The delegations encouraged the Fund to participate in monitoring and evaluation activities related to the Millennium Development Goals (MDGs), on a selective basis, and commended UNFPA for taking steps to ensure that its own evaluation activities were consistent with and complementary to those being undertaken in support of the MDGs.

68. One delegation, speaking also on behalf of three other delegations, welcomed the comprehensive and detailed evaluation report and was pleased to note that the findings of the evaluation of UNFPA support to HIV/AIDS prevention programmes had been utilized to improve the Fund's programmatic and strategic response to the HIV/AIDS epidemic. The delegations noted that the report (DP/FPA/2002/7) pointed to a weakness in securing proper institutionalization of the results of evaluations and lessons learned. In that regard, the delegations hoped that the introduction of RBM would lead to systems improvements. The delegations welcomed the Evalnet as a valuable tool for sharing evaluation findings and results

with other agencies. The delegations supported the conclusion in paragraph 50 of the report (DP/FPA/2002/7) that UNFPA examine its practices to bring them more in line with national practices in monitoring and evaluation. The delegations urged that in future evaluation reports UNFPA should highlight strategic recommendations along with senior management's response to them.

69. One delegation, referring to the findings of an independent report prepared by its Government in 2000, requested feedback on that report's observation that there was a low level of compliance concerning mandatory evaluation of UNFPA-supported country programmes. The delegation stated that UNFPA should emphasize the mandatory evaluation requirement and establish targets and procedures to improve compliance.

70. One delegation appreciated the comprehensive and useful report and stressed that evaluations should respond to the needs of project teams, country teams and national authorities. The delegation added that evaluations should provide qualitative insights, in addition to quantitative data, that would contribute to learning and knowledge acquisition. The delegation noted that it was pleased with the decentralized nature of the evaluation system in UNFPA and supported its continuation. The same delegation stated that while evaluation allowed effectiveness to be measured, including cost-effectiveness, it did not allow the drawing of lessons at a global level for policy development. Evaluation was important to carry the message of development effectiveness to donor countries. However, it should not be allowed to provide an excuse for avoiding the question of resource augmentation or for any derogation of the principle of universality while determining global resource allocations. The delegation emphasized the importance of helping programme countries to evaluate their own programmes and asked that UNFPA contribute to strengthening the evaluation machinery in programme countries. The delegation underscored that the development of evaluation methodologies should be a participatory process involving national authorities of programme countries. Such involvement should include the drafting of terms of reference, the selection of evaluation teams and the joint consideration of evaluation reports.

71. The Deputy Executive Director (Programme) thanked the delegations for their comments and stated that UNFPA had taken note of their support and their suggestions. He stated that UNFPA was proud to have an independent Office of Oversight and Evaluation that reported directly to the Executive Director. He noted that the OOE had very competent staff. He concurred with the observations of two delegations that evaluations should feed into programme development; that local experts should be utilized; and that UNFPA should contribute to the development of the evaluation machinery in programme countries. He appreciated the fact that several delegations had been encouraged by the Fund's commitment to and investment in evaluation, monitoring and RBM. He agreed that there were several methodological challenges and much work remained to be done in the area of evaluation.

72. The Chief, OOE, thanked the delegations for their advice and comments. She agreed with the delegation that had stated that it was important to derive lessons learned from the concluding programme to feed into the succeeding programme. She emphasized that UNFPA had various mechanisms for that purpose, including the midterm reviews which increasingly were being conducted towards the end of a programme and provided good lessons and guidance for developing and designing the new programme. She underscored that UNFPA always endeavoured to use local

experts, particularly for thematic evaluations. National experts were involved in the preparatory process and also served as resource persons. She agreed that the CST role should be a supportive one and not directive, unless asked for by the concerned programme country. She concurred with the delegations that had pointed out the need to define concepts and refine indicators for measuring capacity-building. She observed that that had been highlighted in the evaluation of capacity-building. She noted that the Fund needed to approach capacity-building in a more coherent and strategic manner with clear targets. She pointed out that UNFPA had studied the topic quite thoroughly, including the reports of UNDP and the United Nations Department of Economic and Social Affairs. As regards taking advantage of other evaluation tools, she stressed that UNFPA, aware of its own limited resources and capacity, had taken advantage of and adapted the tools and methodological work produced by others working in development cooperation, particularly in the development of the monitoring and evaluation toolkit. In that regard, the Internet had been an invaluable resource to UNFPA in accessing and reviewing the work and products of several multilateral and bilateral organizations.

73. Concerning the comments delegations had made on the evaluation of HIV/AIDS programmes, she agreed that there was a need to coordinate and standardize monitoring and evaluation of HIV/AIDS programmes. She noted that UNFPA had referred to a publication of the Joint United Nations Programme n HIV/AIDS on indicators that had proved to be a very good resource for well-tested, measurable indicators. Naturally, the selection of indicators depended on the availability of data in the concerned country. She took note of the request by some delegations that future evaluation reports include strategic recommendations and the response to them by senior management. With reference to the query regarding compliance with the mandatory evaluation of country programmes, she observed that at present full compliance had not been achieved for a number of reasons: midterm reviews often took place late in the programme cycle, frequently in the fourth year of a five-year programme, thereby replacing the country programme evaluation; also, towards the end of a programme there was so much work involved with the country programme assessment (CPA), the United Nations common country assessment (CCA), and the United Nations Development Assistance Framework (UNDAF), that it was very difficult for small UNFPA country offices to undertake comprehensive programme evaluations. Thus, there was a tendency to undertake thematic evaluations or to conduct an evaluation just prior to the development of subprogrammes. She concurred with the delegation that had pointed out the limits of evaluation. She added, however, that certain approaches could be used globally and could provide an organization with strategic choices for decision-making, not just for determining funding levels.

74. The President of the Executive Board was interested to note that the discussion had in fact focused on "evaluating" evaluation. He considered that to be an important and useful function, necessary to avoid creating virtual realities. He added that it was important and illustrative for the Board to see concrete examples and results of the evaluation efforts undertaken by UNFPA, otherwise there could be unrealistically high expectations. He proposed that at a later time it would be useful to have a joint session on common evaluation approaches utilized by UNFPA, UNDP, United Nations Children's Fund and WFP.

75. The Executive Board took note of the UNFPA periodic report on evaluation activities (DP/FPA/2002/7).

VI. Country programmes and related matters

76. The Deputy Executive Director (Programme) introduced the first country programme outlines developed under the new harmonized procedures for the approval of country programmes, in keeping with decision 2001/11 of the Executive Board. The effort to simplify and harmonize was also in keeping with General Assembly resolution 56/201. He added that the new format was a major improvement over the old format: the country programme outlines were short and focused; and each had an attached results and resources framework that outlined outcomes, outputs and their respective indicators, as well as the resources required to achieve those results. He stated that linking resources to specific outputs would have to be further developed. As country offices currently lacked the ability to cost outputs, UNFPA was in the process of developing a methodology to better define the costs by output. He observed that it was too early in the process to state whether the new process had led to increased collaboration and coordination among agencies in the development of their programmes. However, in their initial response, country office staff seemed pleased with the new direction. He underscored that UNFPA was committed to improving the quality of country programme formulation and implementation.

77. Several delegations praised the new harmonized format adopted by UNFPA and noted that the documents were crisper, clearer, more focused and more streamlined than their predecessors. Delegations welcomed the inclusion of a results and resources framework and were pleased to note that UNFPA was utilizing the logical framework. One delegation stated that it had found the programme outlines descriptive and observed that the multi-year funding framework was not always reflected. The delegation added that the causal relationship between positive developments in the field of reproductive health and UNFPA activities was not always clear. One delegation stated that it was pleased to note the shift away from direct service delivery activities toward advocacy and policy development. The delegation advised that in the future key terms used in the programme outlines should be defined more precisely, including such terms as adolescents, male involvement and gender equity. The delegation underscored the importance of coordination with other donors and stated that a description of the assistance of other principal donors should be included in the programme outlines.

Africa region

78. The Director, Africa Division, noted that sub-Saharan Africa faced the most daunting development challenges, including poverty; high population growth rates; poor reproductive health status, including high maternal mortality; the rapid spread of HIV/AIDS; and gender disparities. The constraints that countries in the region faced included the following: weak national institutional frameworks; weak planning and management capacities; inadequate staffing and high turnover of staff; lack of adequate data for planning, monitoring and evaluation; poor governance; inadequate resources; the HIV/AIDS epidemic and poverty fueling each other; heavy external debt burdens; and the consequences of conflict. Since the International Conference on Population and Development (ICPD) important steps had been taken by many African governments to formulate or revise national

population policies and to improve reproductive health. While some progress had been achieved as a result of those efforts, the overall reproductive health situation in Africa remained poor and countries were far from attaining the ICPD and Millennium Development goals (MDGs). The contraceptive prevalence rate remained low in most countries; female genital cutting was widespread, in spite of laws adopted by many countries to abolish it; and access to sexual and reproductive health services for adolescents and youth was far from adequate. The programmes before the Executive Board had been developed within a poverty eradication framework and contained reproductive health components that emphasized reducing maternal mortality and preventing HIV/AIDS, with special attention to adolescent sexual and reproductive health.

79. Delegations underscored the excellent cooperation between their countries and UNFPA and noting that the proposed country programmes had been developed in close partnership with the respective governments and other stakeholders. Given the many development problems their countries faced, including the fragility of economic growth and the rapid spread of the HIV/AIDS epidemic, several delegations emphasized the need to increase resources for UNFPA and pointed out that the Fund, as the main partner in population in their countries, had a particular comparative advantage. Delegations underscored the commitment and leadership of UNFPA and stated that frequently UNFPA had been the only partner that had remained in the country when difficult circumstances had caused other partners to suspend their assistance and/or depart.

80. One delegation asked for clarification regarding the link between priorities and available resources and wondered why the approaches differed in different countries. The same delegation noted that the term reproductive health had been variously translated in French and asked if there was a standardized translation.

81. Concerning the Nigeria country programme outline (DP/FPA/CPO/NGA/5), one delegation stated that it found the proposed programme disappointing and fragmented, with too much focus on the implementation of small projects. The delegation asked what consultation with other donors had taken place regarding the proposed programme. The delegation added that its country's health adviser in Nigeria would have liked to have been involved but had not been consulted. The delegation stated that consultation with other donors was particularly important in the area of reproductive health commodities at a time when demand was outstripping supply. The delegation encouraged UNFPA to play a greater role in the coordination between donors in Nigeria. Given that there were many actors in Nigeria working in the area of HIV/AIDS and UNFPA was one of the few organizations working in the area of population and reproductive health, the delegation wondered whether UNFPA should concentrate on HIV prevention within Nigeria's national response rather than on implementation activities. The delegation of Nigeria noted that it did not consider that the proposed programme had a fragmented approach. The delegation added that there had been a wide consultation with stakeholders and over 55 organizations had participated in the planning process.

82. With reference to the Mali country programme outline (DP/FPA/CPO/MLI/5), one delegation made the following comments: UNFPA support for the development of a priority population investment programme (PPIP) 2003-2007 would be very important for the country's poverty reduction strategy; the country programme

outline made no mention of migration, an important population issue; no mention had been made of breastfeeding and its impact on fertility; with a primary school enrolment of only 50 per cent, how did UNFPA plan to provide reproductive health and HIV/AIDS information to young people who were not in school and how did UNFPA plan to promote and support safe sex behaviour among that group? The delegation added that the Mali poverty reduction strategy paper (PRSP) had paid little attention to population issues. The delegation wondered whether it was more important for UNFPA to use its scarce resources for input in policy development, for example, in the health sector-wide approach (SWAp), instead of implementing specifc UNFPA programmes. The delegation urged UNFPA to identify its specific niche and underscored that advocacy should be an important element of the Mali country programme. The delegation of Mali stated that the proposed programme had been drawn up based on the Government's priorities. Furthermore, all development partners had participated in the process. The country faced many challenges, including rapid population growth; socio-economic inequalities, including with regard to the status of women; and the spread of HIV/AIDS. The delegation added that in the fight against HIV/AIDS traditional methods were being utilized to convey prevention messages.

83. One delegation noted that its own country's assistance to Comoros had been suspended, however, its country was keen to cooperate with and support the Fund's programme in Comoros.

84. The Deputy Executive Director (Programme) concurred that the Fund needed to strengthen its involvement in policy dialogue, PRSPs and SWAps. He stated that as part of its transition UNFPA was engaged in a process to shift more upstream. He pointed out that policy dialogue could not occur in a vacuum and demonstrated results would be necessary to influence policy dialogue partners. He agreed that migration, and its relationship to poverty, was an important issue that needed to be addressed. He emphasized that UNFPA gave serious attention and high priority to coordination with other development partners, including donors. He stated that the Fund would follow-up on the lapse in coordination in one instance pointed out by one delegation. He stated that UNFPA had taken note of all the comments made by delegations on the country programme outlines and would transmit them to the concerned country offices.

85. Concerning the query on resource allocation, the Director, Africa Division, noted that the allocation of resources was based on country priorities and discussion with the concerned governments. Since priorities varied from country to country, resource allocation approaches also varied to suit the priority needs of countries. She thanked the delegation that had offered support to the programme in Comoros. Regarding the French translation of the term "reproductive health", she observed that it would be useful to have one standard translation, however, since the beginning the term had been variously translated in French. In response to another comment she noted that UNFPA had been involved in SWAps and policy dialogue; for example, in Mauritania the Fund had supported the national reproductive health programme that had been integrated in the health sector reform. Similar support had been provided in Mali and Cameroon. She observed that UNFPA had utilized the Mali PRSP in developing the proposed programme. She added that UNFPA always endeavoured to mainstream population, gender and reproductive health in policy dialogues and SWAps. However, the Fund's participation was often constrained by the small size of its country offices. She concurred that migration was an important

population issue and added that in developing the programmes the priority areas were determined by the concerned governments. She noted that in West Africa UNFPA had supported a survey on migration and some of the countries planned to use that data and information in designing their HIV/AIDS prevention strategies. Concerning the comment on breastfeeding, she stated that information on breastfeeding was mainstreamed in the minimum reproductive health package that was delivered, including at the community level. With reference to the comment about out-of-school youth in Mali, she stated that UNFPA was supporting multi-purpose youth centres that also catered to the needs of out-of-school youth.

86. The UNFPA Representative in Nigeria observed that all stakeholders had been involved in the programme development process in Nigeria. He thanked Canada for its support in the area of reproductive health commodity security. He noted that the logistics management system in Nigeria needed strengthening and UNFPA was working with DFID and USAID to address those issues. He clarified that UNFPA was not involved in HIV/AIDS treatment, instead it was providing information, including through radio broadcasts. He added that UNFPA was also chairing the HIV/AIDS theme group in Nigeria.

87. The President of the Executive Board indicated that the comments made on individual programme outlines would be conveyed to the concerned countries and would also be reflected in the official report of the annual session.

88. The Executive Board approved the programme of assistance to the Government of the Central African Republic (DP/FPA/CAF/5) and took note of the following country programme outlines and the comments made thereon: Cameroon (DP/FPA/CPO/CMR/4); Côte d'Ivoire (DP/FPA/CPO/CIV/5); Equatorial Guinea (DP/FPA/CPO/GNQ/4); Mali (DP/FPA/CPO/MLI/5); Mauritania (DP/FPA/CPO/MRT/5); and Nigeria (DP/FPA/CPO/NGA/5).

Arab States region

89. The Director, Division of Arab States and Europe (DASE), briefly highlighted the main developments in the Arab region pertaining to the UNFPA mandate and the programmes before the Executive Board: poverty in the region was highly correlated to population and reproductive health parameters; though the majority of Arab countries had progressed in their demographic transition there were emerging demographic issues that interfaced with policy and programme implementation and the efforts to achieve sustainable development; the population of the region, estimated at 280 million in 2000, was growing at a high rate of 2.4 per cent per annum; the increasing cohorts of youth and adolescents would impact the demand for education, reproductive health knowledge and services, employment and housing; the trend would also exacerbate anomalies in per capita income, poverty reduction strategies, migration streams, urbanization, gender equality, and delivery of basic social services, including gender-sensitive reproductive health services. Despite progress in gender equity and equality and the empowerment of women, adolescents and women in the Arab region continued to have a low status and a lack of access to reproductive health information and quality services. In most countries in the region, the number of reported cases of HIV/AIDS and other sexually transmitted infections (STIs) did not reflect actual prevalence. UNFPA support for

HIV/AIDS-related programming in the region had grown over the years. The UNFPA-supported programmes before the Board, inter alia, focused on increasing the availability and improving the quality of reproductive health information and services; meeting the special needs of adolescents and youth; and establishing partnerships with civil society

90. A number of delegations called for increased assistance to meet the challenges in the region. One delegation asked whether there was new information that justified the observation made during the introduction that in most countries in the region the number of reported HIV/AIDS cases did not reflect the actual prevalence in the population. The delegation stated that its own country had half of the population of the region and the Government's HIV prevalence figures matched those of a recent international study on high-risk groups. One delegation stated that HIV/AIDS was a major challenge for its country and it needed additional resources to fight the scourge that was mainly affecting youth between the ages of 14 and 18. The delegation also appealed for assistance in dealing with the heavy burdens caused by conflict, drought and the influx of refugees. One delegation appreciated the country programme outline for Djibouti and noted that the Fund's programme complemented the programme supported by its own country, particularly in the area of HIV/AIDS. The delegation added that its country was providing support for Djibouti's health structure and would also seek to support UNFPA efforts to combat HIV/AIDS.

91. Regarding the reference to underreporting on HIV/AIDS prevalence, the Director, DASE, stated that his observation pertained to the region as a whole and not in particular to the country whose delegation had raised a query. He pointed out that while the reporting system in that country was functioning well, the same was not true of many other countries in the region. Indeed, surveillance figures from several countries had indicated that the government figures were much lower. Concerning the appeal of one delegation for additional funding for its country to combat HIV/AIDS, he noted that UNFPA was seeking additional resources to meet those needs, including from the OPEC Fund. He added that the issue of migration and refugees was a high priority and UNFPA would do all that it could to address it. He thanked Italy and Japan for their support.

92. The Executive Board approved the programmes of assistance for Egypt (DP/FPA/EGY/7) and Tunisia (DP/FPA/TUN/7) and took note of the country programme outlines for Djibouti (DP/FPA/CPO/DJI/2) and Jordan (DP/FPA/CPO/JOR/6).

Asia and the Pacific region

93. The Director, Asia and the Pacific Division (APD), highlighted some of the major challenges in Asia and the Pacific region: extreme poverty was a major problem in many countries in the region; Asia, with 60 per cent of the world's population, accounted for almost half of the world's annual population increase; wide variations existed in the demography of the region; while significant progress in the social sector, including in the areas of population and reproductive health, had been achieved in many countries in East and Southeast Asia, the countries in South Asia faced serious problems with regard to maternal mortality, infant mortality and high population growth rates; poverty reduction in South Asia had been slow;

adequate provision of quality reproductive health services remained a major challenge in many countries in the region; adolescents (between the ages of 10 and 19) accounted for more than one fifth of the region's total population and were most at risk of unwanted pregnancies and STIs, including HIV/AIDS; the rising incidence of HIV/AIDS posed one of the biggest threats to the region; and although HIV/AIDS had come late to Asia its spread had been swift and an estimated 7.1 million people in the region were currently living with the disease. The country programme outlines before the Executive Board had been developed to address the specific needs and priorities of the concerned countries. The UNFPA-supported programmes would focus on addressing population, reproductive health and poverty reduction issues, linking and integrating activities to sectoral development priorities; mainstreaming HIV/AIDS prevention; improving access to youth-friendly reproductive health information and services; enhancing the status of women; and building national capacity.

94. Delegations made the following comments pertaining to the Bangladesh country programme outline (DP/FPA/CPO/BGD/6): the country programme outline was excellent and the UNFPA country office in Bangladesh was to be congratulated on its inclusive programme development process; UNFPA was a principal advocate for Bangladesh's health and population sector programme and the Fund's support was very valuable; the Fund's move towards a greater focus on advocacy rather than on implementation of direct activities was welcomed; the main focus of UNFPA in Bangladesh should be on reducing maternal mortality and improving access to family planning; UNFPA was to be commended for its leadership role in the area of reproductive health in the context of the SWAp; behaviour change communication (BCC) should be linked to services and the proposed programme should have a linkage to the Bangladesh Integrated Nutrition Programme (BINP) which had a substantial BCC component supporting safe motherhood and reproductive health; the BINP had several interventions that contributed to the reduction of the need for emergency obstetric care and the proposed UNFPA programme should reflect that, taking into account the lessons learned from the BINP; UNFPA should also consider focusing its efforts to improve maternal health in the districts selected by the BINP; and UNFPA should clarify how the proposed activities would contribute to a 40 per cent decline in contraceptive discontinuation over the life of the proposed programme.

95. With reference to the India country programme outline (DP/FPA/CPO/IND/6), delegations made the following main points: UNFPA should take a leadership role at the national level in coordinating United Nations support for India's family welfare programme; the Fund should clarify how its programme fits in with the plans of other United Nations agencies; concerning HIV/AIDS, it would be better to target scarce resources on high-risk groups, including adolescents, rather than on the two relatively low-risk groups mentioned in the programme outline, namely, pregnant women and post-menopausal women.

96. One delegation made the following comments concerning the Papua New Guinea country programme outline (DP/FPA/CPO/PNG/3): the areas highlighted in the programme outline accorded with the development priorities of Papua New Guinea; to ensure coverage and avoid duplication UNFPA should strengthen coordination with other United Nations agencies, donors and NGOs; the Fund should clarify what level of cooperation existed between UNFPA and other donors; UNFPA should elaborate on its support for policies such as those embodied in the

National Health Plan 2001-2010; the Fund should clarify its planned level of engagement with the country's Health Sector Improvement Programme; and the Fund should contribute to enhancing NGO capacity through training in the management, monitoring and reporting standards required by UNFPA.

97. The Director, APD, concurred that HIV/AIDS was a priority area and that it was important to focus on high-risk groups in India, including adolescents. He agreed that coordination with donors and other development partners was very important and UNFPA would continue to give it serious attention. He further agreed that UNFPA should work more closely with NGOs and focus more attention on building their capacity through training.

98. With regard to HIV/AIDS activities, the UNFPA Representative in India pointed out that the National AIDS Control Programme (NACO) had agreed to focus on mainstream groups, in addition to high-risk groups. In particular, prevention was critical among adolescents who made up 24 per cent of the country's population. He agreed that coordination was a very important issue and noted that to ensure coordination UNFPA utilized a consultative process with other development partners at national and district levels. UNFPA also chaired an inter-agency working group on population and development and had recently collaborated with WHO on developing a life skills model. The Fund was also an active member of the AIDS theme group. He noted that the proposed country programme built on past achievements and proposed goals that were achievable.

99. The Executive Board took note of the following country programme outlines and the comments made thereon: Bangladesh (DP/FPA/CPO/BGD/6), India (DP/FPA/CPO/IND/6), and Papua New Guinea (DP/FPA/CPO/PNG/3).

Latin America and the Caribbean region

100. In his introduction, the Deputy Director, Latin America and the Caribbean Division, highlighted some of the key trends in the region: economic growth had been unsteady during the 1990s, marked by frequent and severe crises due to the volatility of capital, internal conflicts and natural disasters; poverty and inequality were expanding; Latin America was one of the most inequitable regions in the world and the socio-economic disparities within the region were enormous; the region was highly urbanized with 75 per cent of Latin Americans living in cities; there was a positive political environment for the fulfillment of the ICPD Programme of Action; and most of the countries had developed legal instruments and expanded programmes to address sexual and reproductive health needs within a human rights approach. He noted that there were encouraging improvements in some ICPD indicators and progress towards some MDGs. However, considerable gaps existed between and within some countries. For example, in the area of adolescent reproductive health some countries had teenage pregnancy rates that were far above the regional mean. Similarly, some countries in the region had very high maternal mortality rates and low contraceptive prevalence rates. The HIV/AIDS epidemic in the region was highly diverse and countries with the highest prevalence were located in the Caribbean. He observed that women were joining the labour force in increasing numbers but at the same time the empowerment of women was hindered by traditional cultural patterns and male dominance. Given the modest level of its

resources for the region, UNFPA was focusing on becoming a catalyst for leveraging and guiding the use of larger resources of government and other development partners, including to promote more effective approaches to South-South cooperation.

101. During the discussion several delegations took the floor to express support for the Bolivia, El Salvador and Venezuela country programme outlines and to thank the Deputy Director for his clear and concise introduction. With reference to the Bolivia country programme outline (DP/FPA/CPO/BOL/4) the comments by delegations focused on the following main points: the strategy had been well analyzed and thought out and the Fund's geographic and sectoral focus and increasing reliance on national execution to build national capacity were greatly appreciated; UNFPA was commended for the exemplary consultative process utilized to develop the programme involving the broad participation of the Government, donors and other stakeholders; a clearer link between the programme strategy and the goals of the Bolivian PRSP was needed; the shift to a greater focus on advocacy and less focus on service delivery was welcomed, however UNFPA needed to elaborate on the results of its past advocacy work and plans for future advocacy work; the Fund also needed to clarify what would be entailed in building alliances with civil society organizations. In addition, UNFPA should include information on its own human resources on the ground and elaborate on how it would build up its own capacity to carry out the programme. One delegation observed that a greater focus in the programming of the Fund's resources in Bolivia would help in achieving results. For example, the proposed HIV/AIDS and bilingual education activities appeared to be ancillary to the main efforts. Furthermore, those two areas were already being addressed by other United Nations agencies. One delegation noted with appreciation that several of the comments made on the Bolivia programme were also useful for other countries. The delegation of Bolivia thanked UNFPA for its consistent support to its country and noted that the new country programme was based on the priorities of the Government and the lessons learned from the previous programme. The delegation added that the programme would help to reduce poverty. It had been developed in close cooperation with other development partners, including bilateral donors, United Nations agencies and civil society organizations.

102. The following main points were made by one delegation concerning the El Salvador country programme outline (DP/FPA/CPO/SLV/5): UNFPA had developed a remarkable expertise in both policy and programme essentials to lead in the area of population and reproductive health, including family planning and sexual health; UNFPA could do a great deal where others could not; the Fund should elaborate on the existing capacity of the Ministry of Public Health and NGOs to provide information and services and should indicate how UNFPA planned to fill the gaps and improve coverage; the programme should include capacity-building in the area of procurement; social marketing techniques should be utilized, given the focus of the programme on adolescents; as regards HIV/AIDS, more attention should be focused on high-risk groups and reducing HIV transmission; the programme should contribute to mitigating the impact of hazardous environmental effects on reproductive health. The delegation of El Salvador expressed appreciation for the support received and noted that it was important to take into account and draw on the capacities of government and NGOs in order to seek synergies and avoid duplication.

103. Concerning the observations of one delegation regarding the Fund's proposed HIV/AIDS and bilingual education activities in Bolivia, the Deputy Director, Latin America and the Caribbean Division, underscored that UNFPA had a comparative advantage in the provision of contraceptives and other reproductive health commodities. He added that the Fund was not duplicating efforts in the area of bilingual literacy. Also, experience had indicated that the bilingual literacy programme offered valuable opportunities to introduce population and reproductive health concepts and issues in varying cultural settings. He took note of the comments made on the El Salvador programme and concurred that the country had special needs given its high population density and the natural disasters it had suffered.

104. The Executive Board took note of the Bolivia (DP/FPA/CPO/BOL/4), El Salvador (DP/FPA/CPO/SLV/5) and Venezuela (DP/FPA/CPO/VEN/1) country programme outlines and the comments made thereon. The Executive Board approved the programme of assistance for the English- and Dutch-speaking Caribbean countries (DP/FPA/CAR/3).

UNDP/UNFPA segment

VII. Internal audit and oversight

UNFPA

105. The Deputy Executive Director (Management) introduced the report on UNFPA internal audit and oversight activities in 2001 (DP/FPA/2002/8), noting that the budget for the UNFPA audit function in 2001 had been about $1.3 million, a significant increase over the budget for 2000. She underscored that UNFPA continued to accord high priority to the audit and oversight functions and an indication of that was the allotment of $1.5 million in 2002 to internal audits despite the need to impose austerity measures in other areas of the Fund's support budget. She noted that it was a matter of serious concern that the share of offices audited that received a satisfactory rating fell from 44 per cent in 2000 to 33 per cent in 2001. She pointed out that at the same time the share of offices rated deficient or seriously deficient had declined from 22 per cent in 2000 to 18 per cent in 2001. She emphasized that UNFPA was monitoring the nature as well as the scope of lapses in internal controls reported in the audits in order to identify root causes and remedial measures. She added that the recently concluded UNFPA exercise to establish a typology for country offices would enable a transparent, systematic effort to delineate the competencies required for good programme and office management practices in different situations. The application of the typology would commence in 2003. She observed that to streamline processes, particularly to reduce transaction costs, UNFPA was working within the United Nations Development Group (UNDG) mechanism to simplify and harmonize programme procedures. She noted that the report (DP/FPA/2002/8) included a section on the reports of the Joint Inspection Unit (JIU), in response to a request by JIU that UNFPA share with its governing body its inputs and reactions to JIU reports. In addition, the report contained information on other oversight activities such as midterm reviews and policy

application reviews. She assured the Executive Board that the findings of internal audit and oversight activities received close attention at the highest level in UNFPA.

106. During the discussion that followed a number of delegations underscored the importance of the internal audit and oversight functions and expressed concern that two thirds of the audit reports issued in 2001 had found the level of internal controls and compliance unsatisfactory and that the overall number of unsatisfactory reports had increased as compared to the previous year. Noting that audits should serve as tools for improvement, several delegations hoped that UNFPA would adopt measures to make improvements. One delegation expressed particular concern about the serious deficiencies in internal control procedures in one UNFPA division. The same delegation added that it was pleased to note that the share of audits with serious deficiencies had declined in 2001. The delegation stated that it was also pleased to note that the UNFPA Executive Director accorded top priority to addressing audit and oversight issues. Two delegations inquired about the root causes of problems and asked what were considered acceptable problems.

107. One delegation, referring to section II of document DP/FPA/2002/8, wondered if the outcomes reported pertained to the Fund as a whole as the report did not make clear how many offices and divisions were involved. The delegation added that the report did not clarify how the selection of offices and divisions to be audited had been made. The same delegation expressed concern that internal financial rules had not always been adhered to. Regarding the issue of automation, the delegation wondered if UNFPA had identified the risks and measures to address them. Noting the limited executing capacity of the Office of Audit and Performance Review (OAPR), the delegation wondered whether the staff should be increased, given that internal audit was crucial for an effective and efficient organization. The same delegation expressed concern that high balances had to be written off in order to close projects and that internal control on cash was weak. The delegation inquired about the risk of fraud.

108. One delegation referred to an independent review conducted by its Government and asked for additional information relating to the following: access of the UNFPA Audit Section to the Executive Director; staffing constraints; whether an audit committee existed; and whether the Executive Director approved the annual audit work plan. One delegation remarked that the financial control problems occurring in country offices might be due to a lack of qualified staff. The delegation added that through further harmonization and cooperation among United Nations agencies it would be possible to have high quality staff.

109. The Deputy Executive Director (Management) thanked the delegations for their useful comments and queries. She assured the Executive Board that internal audit and oversight findings received serious and close attention. She underscored that key findings were incorporated in materials, workshops and training to address the problems detected. Thus, audits were utilized as a learning tool and not just as a control mechanism. Referring to the concern expressed by a number of delegations regarding the negative findings of audits, she said that the matter was of grave concern to UNFPA and was being addressed. She pointed out that the number of seriously deficient audit ratings had decreased. She noted that under the UNFPA transition process efforts were under way to improve systems and staff competencies. Regarding the query on direct access of audit staff to the Executive Director, she stated that proposals were being made to establish an internal audit

section directly within UNFPA in 2003 and this proposal would be presented in the revised budget to be submitted to the Executive Board at its second regular session 2002.

110. Concerning the query about staffing, she noted that the Audit Section had a Chief, three professionals and two support staff. While some of those posts had been vacant earlier in 2001, they had subsequently all been filled. She agreed that an increase in staff would greatly help with the audit work. She added that under the transition process a new typology of country offices was being developed and it was proposed that in large offices with complex operations a post would be established for an operations manager. It was expected that that would help improve both the staffing situation and programme management in country offices and would give the Representative more time for important and critical matters. She also added that the UNFPA Executive Director accorded high importance to information technology and efforts were under way to improve connectivity. At present the financial systems were not all connected, however the Fund was in the process of making real time financial management data available in the field and at headquarters. She concluded by pointing out that the external auditors gave the Fund's financial statements an unqualified opinion for the biennium just completed.

111. The Chief, Office of Oversight and Evaluation (OOE), in response to the query about audit planning, stated that it was undertaken in two tiers. In the first tier, UNFPA utilized the services of UNDP regional audit centres and the planning was undertaken in conjunction with the chiefs of those centres with the audits being carried out in the same countries as for UNDP. A cyclical approach was used and audits were conducted on a three- or five-year cycle. Until recently, audits had only been carried out in countries that had a resident UNFPA Representative, however, since 2001, country offices without UNFPA-appointed Representatives expending over $500,000 had been included in the audit plan. In the second tier of audit planning, UNFPA senior management was actively involved in selecting the country offices and headquarters units that would be audited. Selection criteria included the following: poor audit rating; volume of programme funds; volume of funds through national execution; direct payment; and the level of other resources. Concerning the closure of projects, she observed that a major exercise was undertaken in 2001 and over 1,200 projects were closed. She noted that in some cases funds were written-off, however, that was not a misuse of money rather it was a question of documentation. Regarding the query on cash controls and the risk of fraud, she clarified that the reference was to petty cash, i.e., amounts not over $300, and usually under $100. Sometimes the lack of an office safe and/or proper cash book would be noted through audit observations, the cumulative result of which could be unsatisfactory ratings. She assured the Executive Board that no fraud was involved. She added that the UNFPA senior management had adopted strict measures to prevent such occurrences. Also, shortcomings revealed through audits were addressed in a very systematic manner.

112. With regard to the query concerning what were acceptable problems, the Chief, OOE, pointed out that UNFPA did not look at audits in isolation from other controls and reviews. She stated that audits were strict and normally did not take contextual issues into account. Thus, it was for senior management to understand and take note of any special situation and/or extenuating circumstances. She agreed that the small size of country offices had limited capacity and until recently clear competencies for country offices had not been defined. However, that was now being addressed

through the transition process. Regarding the query on the audit committee, she noted that UNFPA did not currently have an audit committee. However, in the transition process, the Fund's whole workflow and structure were being examined to determine which committees were required for the smooth, effective and efficient functioning of UNFPA. The thinking was that one such committee should not only look at audit issues but also at broader oversight matters.

113. The Executive Board adopted decision 2002/7 (see annex).

UNDP

114. The Associate Administrator introduced the report on internal audit and oversight (DP/2002/12), which contained an assessment of key management issues and responses to suggestions made earlier by members of the Executive Board. He noted that while the implementation measures had produced positive results, some problems still existed, particularly regarding the cost and quality of audits of nationally executed projects. Those problems were being addressed in concert with the Board of Auditors. He reported that a task force had been established to assess the services of the internal audit function, which had completed its work in 2001 with recommendations to strengthen the audit and oversight functions. Some of them were already under active consideration.

115. Delegations commended UNDP for a frank assessment of matters related to personnel, procurement, monitoring and reporting. They also welcomed UNDP efforts to improve transparency and accountability. Many delegations, however, expressed concern or sought clarifications on a number of issues, including: delays in the recruitment of resident coordinators and their rapid turnover; difficulties in obtaining reports from executing agencies; the root causes of recruitment and payment problems; the involvement of non-audit staff on audit teams and advisory services as part of the internal audit mandate; the number of investigations about alleged malfeasance; the respective roles of the ombudsman and the disciplinary committee; and the number of deficient and seriously deficient country office audit ratings.

116. The Director, Office for Audit and Performance Review (OAPR), reported that the number of investigations had continued to rise. Consequently, a full-time criminal investigator had been hired. He also reported that several audits had been conducted with other United Nations funds, programmes and specialized agencies, including the United Nations Joint Staff Pension Fund, while others were underway, for instance, with the World Food Programme. Four joint missions were planned for 2003.

117. He reported that a group had been formed to review recurring problems by examining whether the policies and procedures in use needed revising or more enforcement or whether further training of staff was required. Regarding the new approach to auditing, the Director reported that six pilot cases had been completed with good results – observing, however, that they still constituted an evolving and learning process. He further observed that the involvement of non-audit staff had been taken to obtain the necessary skills without compromising the independence of audits. Steps taken to minimize the risk of conflict of interest include, first, that all audit teams should be supervised by OAPR and, second, that non-audit staff could

not participate in the audit of offices in their regions. The Director advised that the details of investigations of malfeasance were not part of this report but were provided to the Board of Auditors and documented in a separate report.

118. On the issue of what was an acceptable level of deviation from financial regulations and rules, the Assistant Administrator, Bureau of Management, advised that deviation was not acceptable. Examples of problems, however, included occasional instances of expenditures being incurred before receiving funds, resulting from pressures to rapidly implement projects, and non-compliance owing to a lack of understanding of rules and procedures. He added that fraud and misconduct were not tolerated in UNDP. He further noted that as a result of the reforms undertaken in country offices, in some instances national officers with inadequate expertise and experience were carrying out control of financial matters. Concerted efforts, however, were being made to correct the situation, including the establishment of joint offices.

119. Regarding the number of unsatisfactory country-office audit ratings, the Director reported that he advised UNDP senior management to focus primarily on those offices with deficient and seriously deficient ratings. A new three point rating system was being introduced with the labels satisfactory, partially satisfactory and deficient. The marginally deficient category had been eliminated.

120. On delays in reporting by executing agencies, the Director reported that the situation had improved thanks to the utilization of information technology. He further noted that the reporting demanded by the donor community was being discussed in the harmonization group and the task force of the Development Assistance Committee of the Organisation for Economic Co-operation and Development.

121. The Assistant Administrator, Bureau of Management, reported that delays in the recruitment of resident coordinators were largely a result of lengthy clearing processes that had recently been improved. He concluded by clarifying the distinct roles of the ombudsman and the disciplinary committee, explaining that the ombudsman mediated between staff and management, whereas the disciplinary committee acted as a court when the staff member had been charged and an investigation undertaken.

122. The Executive Board adopted decision 2002/7 (see annex).

VIII. Reports on field visits

Report on field visit to Senegal

123. The rapporteur introduced the report (DP/2002/CRP.6). He thanked the organizers of the mission for the excellent arrangements. He outlined the economic and social conditions of the country and highlighted the coordination activities of United Nations and bilateral agencies in Senegal. He particularly commended the excellent coordination in the fight against the HIV/AIDS epidemic. He also commended the good work being done by UNDP and its associated funds (the United Nations Capital Development Fund and the United Nations Development Fund for Women) as well as UNFPA. The assistance provided had benefited many

people at the grass-roots level, including women, to improve the quality of their lives.

124. Many speakers commended the work that was underway in Senegal, especially at the local level, with the active participation of local communities. They stressed that the mission had increased the United Nations credibility and confirmed that field visits provided useful inputs into the work of the Executive Board. Support to women in building their capacities and in acquiring assets was highly appreciated.

125. The representative of the UNDP Regional Bureau for Africa thanked the mission for their report and its recommendations, which would guide the preparation, coordination and implementation of future programmes in the country. He noted that staff changes at the country level had been undertaken to improve the efficiency and effectiveness of UNDP performance and to build capacities for poverty reduction.

126. He reported that Senegalese women had benefited from UNDP supported programmes, particularly in capacity-building for business enterprise.

127. The UNFPA representative thanked the Executive Board members for their visit to Senegal and noted that the mission had provided a unique opportunity for UNFPA to demonstrate how donor funds were utilized to support valuable and much-needed programmes in developing countries. He underscored the benefits of the UNFPA-supported reproductive health and HIV/AIDS prevention programmes in Senegal. In particular, he noted that youth clubs had been set up to provide information on HIV/AIDS and reproductive health issues to young and disadvantaged people. The youth had been provided access to the Internet and other information technologies. Training was also provided on how to use computers. He emphasized that in the fight against poverty additional funds and resources were needed.

128. He also noted that while the resident coordinator had overall responsibility for the coordination of United Nations activities, coordination was shared among the relevant United Nations organizations based in the country. The chairmanship of the coordination meetings rotated on a monthly basis, with the respective chairs setting the agenda for the meetings. He stressed that the arrangement has worked very well.

129. The Executive Board took note of the report on the field visit to Senegal (DP/2002/CRP.6).

Report on field visit to Viet Nam

130. The report on the joint mission of UNDP/UNFPA and the United Nations Children's Fund to Viet Nam was not yet ready for formal presentation. The President of the Executive Board, however, made a preliminary oral presentation of the main issues and recommendations to which some members of the Board also made some preliminary remarks.

131. It was agreed to postpone formal discussion to the second regular session of the Board in September 2002, by which time the report would have been distributed and read by all delegations.

132. The Executive Board took note of the briefing on the field visit to Viet Nam.

UNDP segment

IX. Annual report of the Administrator for 2001, including the results-oriented annual report

Annual report of the Administrator for 2001

133. The Administrator introduced his report, including the results-oriented annual report (ROAR) (DP/2002/15) for 2001. He focused on the achievements and key challenges ahead with regard to democratic governance, information and communications technology, the reform process, crisis prevention and recovery, partnerships, the World Summit on Sustainable Development, which would be held from 26 August to 4 September 2002 in Johannesburg, and the Millennium development goals (MDGs). For easy access, the statement by the Administrator was posted on the Executive Board secretariat web site at www.undp.org/execbrd/index.htm.

General comments on the annual report of the Administrator for 2001

134. Delegations commended UNDP for many aspects of its work, including: the high quality of the report which, for the first time, included the ROAR in one concise document; the organization's role in spearheading reconstruction efforts in Afghanistan and for assisting the Palestinian people; and its participation in preparing the International Conference on Financing for Development and the World Summit on Sustainable Development. They also commended the organization for: its success in strengthening partnerships with a broad range of stakeholders, such as the World Bank, the United Nations Department of Economic and Social Affairs (DESA), United Nations regional commissions and regional banks, and civil society and the private sector; reversing the downward trend in regular resources; implementing the MDGs; carrying out reforms at headquarters and the country level; promoting information and communications technology for development; and supporting South-South cooperation activities.

135. Many delegations encouraged UNDP to continue to: adjust to changes as they unfolded; sustain efforts to mobilize additional regular (core) resources and broaden the sources of funding to minimize over-dependence on a few donors; ensure that regular resources remained the bedrock of UNDP funds; increase its role in the implementation of the MDGs, the Monterrey Consensus and the Doha process through, inter alia, the mobilization of the international community and strengthening relations with programme countries; establish stronger links between the MDGs and the poverty reduction strategy papers (PRSP); improve gender-mainstreaming and regional balance in UNDP staffing; strengthen South-South cooperation or mainstream technical cooperation among developing countries (TCDC) into the overall work of UNDP; improve the resident coordinator system,

especially the recruitment process and the provision of additional resources to facilitate coordination; strengthen, in a selective manner, partnerships with stakeholders in consultation with the Governments concerned at the country and regional level; and reinforce further the capacity of countries to prepare and implement programmes and assume ownership of their outputs without conditions attached.

136. Some delegations sought clarifications or more information about the utilization of other (non-core) resources; the experience gained from the reports on the MDGs and how UNDP intended to mobilize the international community and monitor the implementation of the MDGs.

The response of the Administrator

137. The Administrator responded by thanking the members of the Board for their expressions of support. He noted, however, that the organization had not succeeded in mobilizing adequate regular resources and appealed for political seriousness to resolve the challenge.

138. Regarding the link between the MDGs and the poverty reduction strategy papers (PRSPs), he observed that the former built political pressure to address the development challenges, measured results and assessed the accountability of the stakeholders. The PRSP provides a macroeconomic framework for translating the MDGs into a programmatic response, whereas the United Nations Development Assistance Framework (UNDAF) provided a channel through which the United Nations contributed to the implementation of the PRSP process. UNDP played a lead role in matters related to the MDGs, working in close collaboration with the United Nations systems, the World Bank and others at the country level. The World Bank led the PRSP process with support from the UNDP. Ownership of the MDGs and PRSP processes and products were owned by the country concerned. The role of the United Nations was to stimulate debate on alternative choices and routes a country should take.

139. The Administrator confirmed that the resident coordinators were overburdened because of their responsibilities as resident representatives and coordinators of country teams. They were working hard to ensure greater integration of United Nations activities through the simplification and harmonization of procedures and through common programming arrangements, as required by the Economic and Social Council and other United Nations bodies.

140. On staff reduction at the country level, the Administrator reported that absolute numbers had declined by shifting from a larger staff of messengers, drivers and clerks to a smaller but more highly qualified professional national staff who would play a crucial role in policy-related matters. In that way, UNDP was able to respond to the need to strengthen professional capacities at the national level. .

Overview of the results-oriented annual report 2001

General comments on the results-oriented annual report 2001

141. The second part of the debate focused on the results-oriented annual report (ROAR). Many delegations commended UNDP for a concise, honest and more user-friendly presentation. They underscored areas where progress had been made, such as in the application of results-based management (RBM), which had engendered more realistic reporting; the preparation of human development reports at the national level and the translation of the corporate mandate into development actions.

142. They also indicated areas where more work was needed, in particular: gender-mainstreaming; the quality of reporting; comparison of performance with previous years; allocation of resources among practice areas; focus of UNDP activities; and incorporation of findings and recommendations into management actions.

143. Some speakers sought clarification or more information on how UNDP had aggregated the achievements; the impact of programmes at the country level; how RBM was being applied at headquarters and in the field; whether sufficient capacity existed to manage RBM across the board; strategic priorities of the next strategic results framework (SRF) in view of the World Bank move to provide assistance through grants and the timetable for the preparation of the next multi-year funding framework (MYFF).

144. Some delegations recommended that more information should be provided about the work of the United Nations Office for the Coordination of Humanitarian Affairs in transition situations; the use of concepts such as human security, which had not yet been adopted in the United Nations, should be avoided; the link between local governance and poverty reduction should be elaborated; a clear strategy on how to make globalization work better for the poor should be presented; public relations efforts on UNDP achievements should be strengthened; and UNDP should explore ways to promote RBM within the United Nations Development Group.

The response of UNDP

145. UNDP officials responded that the ROAR provided an assessment of the organization's contribution to the expected outcomes at the country level. The impact of that contribution was assessed through evaluation missions whose results were presented to the Executive Board through a separate report. They observed that SRF targets were set by the country offices in concert with their respective regional bureaux and the outcomes were reported by country offices. Those outcomes were verified by UNDP internal audit missions. The comparison of results between countries and among practice areas remained a problem for which a solution needed to be found by the development partners.

146. UNDP officials concurred that adjustments to the ROAR format should be undertaken to enrich the quality of reporting. They advised, however, that further

consultations were needed with members of the Executive Board on the methodology for the assessment and preparation of the next MYFF.

147. On issues related to gender-mainstreaming, it was reported that the Bureau for Development Policy had been requested to propose corrective measures, including the strengthening of staff capacities to address such issues and to measure results adequately.

148. The allocation of regular (core) resources among the six practice areas reflected priorities set by Governments in programme countries.

149. The Executive Board adopted decision DP/2002/8 (see annex).

X. United Nations Capital Development Fund

150. In introducing the results-oriented annual report of the United Nations Capital Development Fund (UNCDF) (DP/2002/14), the Associate Administrator commended UNCDF for its achievements in local governance and micro-finance in spite of financial constraints. He welcomed the strengthening of the relationships between UNCDF and UNDP through a Memorandum of Understanding on micro-finance.

151. The Executive Secretary of UNCDF asked the members of the Board three questions: Was UNCDF producing the results expected from it? Did UNCDF fit into the international development financing architecture? What was the future of UNCDF? Stating that concrete pro-poor achievements had again been realized in 2001 and stressing the importance of a specialized organization in piloting small-scale investments that could be replicated by others and producing results that were fully consistent with the goals set during previous international forums, including the Millennium development goals (MDGs), he answered the first two questions in the affirmative. The Executive Secretary, however, expressed deep concern about the future of UNCDF and its programmes because of inadequate financial resources and appealed for an increase in core funding to $30 million in 2003 and to $33 million in 2004.

152. Twenty-two delegations took the floor and endorsed the conclusions reached by the UNDP Associate Administrator and the UNCDF Executive Secretary. Delegations commended the work of UNCDF and the results so far achieved, which are contributing to poverty reduction. They also applauded the strengthening of UNDP-UNCDF relations and place of UNCDF within the international development financial architecture.

153. Delegations commended UNCDF for a clear presentation of the report, for providing relevant and quantifiable indicators and for facilitating comparison with results for 2000. They also appreciated the transparency in the financial analysis and the introduction of performance budgeting. Many speakers from programme countries commended UNCDF highly for its contribution to poverty-alleviation efforts in their countries.

154. Clarifications were sought on a number of issues, including the relationship between UNCDF and other international financial organizations; projects that had been successful in the areas of policy impact and replication; and the validity of

statistical indicators based on very few project reports. Other delegations wished to know why UNCDF support to infrastructure had been slipping away from its focus on institutional development for local governance and why it had not been more pro-actively seeking changes in the micro-finance policy environment.

155. Delegations regretted the current financial constraints and appealed for an increase in core resources and a diversification of the resource base so that UNCDF could continue its valuable work, particularly in the least developed countries.

156. The Executive Secretary thanked the delegations for their expressions of support and appreciation of UNCDF work in 2001. He regretted that as a result of time constraints he had been unable to respond to the points raised. He promised that a detailed written response would be sent out to all delegations in due course.

157. The Executive Board took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2002/14).

XI. Funding commitments

158. The Administrator introduced the report on the status of regular resources funding commitments to UNDP and its funds and programmes for 2002 and onward (DP/2002/16 and DP/2002/CRP.8), noting that the overall financial situation of UNDP and its associated funds and programmes had risen by 9 per cent in 2001, the highest level achieved to date. Regular (core) resources had also seen a reversal in their seven-year downward trend. The Administrator paid tribute to the donors that had brought about this positive change and thanked countries that had pledged for 2003 and 2004. He appealed to Governments that had not yet announced their pledges to do so in order to enable the organization to implement fully the objectives of the new and reformed UNDP.

159. Delegations commended the Administrator and his colleagues for a successful 2001 and underscored that the organization had reemerged as a major development player in the wake of the reform process. They made a wide range of comments on the report and suggested ways to improve the funding situation through: a diversification of funding sources to avoid over-dependence on a few donors; intensification of resource mobilization efforts; and the use of various international fora to raise the issue of increased resource flows to UNDP. Specific reference was made by a number of delegations to address the issue of regular funding in view of developments with regard to grantization of a portion of international development assistance (IDA). There was a consensus that core resources would remain the bedrock of the organization and should not be replaced by non-core funding.

160. The Administrator thanked the delegations for their encouraging remarks and for their financial support. He stressed the importance of addressing the issue of balance in the international architecture in light of developments with IDA. He also noted that UNDP was potentially a pilot partner for several countries in delivering government services where the Government was not functioning as a result of a post-conflict situation. Such support would focus on institutional capacity-development. He noted that conceptually there was a basis for pursuing a partnership between the World Bank and UNDP; adding, however, that it would be impossible without a strong political thrust by the common owners of the two

organizations. He stressed the need to find a forum to take the agenda forward to final closure.

161. The Director, Division for Resources Mobilization, reported that the major sources of funding of co-financing were bilateral donors, the European Commission and programme country Governments. The concept of co-financing is built into the idea of shared commitment. She reported that the aggregate level for thematic trust funds had amounted to $21.3 million in 2001. In terms of regional focus, the Director observed that there was a strong commitment by UNDP to work closely with partners to ensure a wide resource base, access to the least developed countries (LDCs) and broad participation, in particular in relation to Africa. There was also an in-built bias towards privileging LDC access to unearmarked contributions that came to the thematic trust funds.

162. The Executive Board recognized that in the wake of the Monterrey Consensus – reached at the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March, 2002 – there existed a unique opportunity to examine in a comprehensive and holistic manner the future funding of multilateral organizations, such as UNDP, working in the development field.

163. The Executive Board adopted decision 2002/9 (see annex).

XII. Programming arrangements

164. The Associate Administrator introduced document DP/2002/17 on issues and principles for possible improvements in the present programming arrangements, which contained proposals for the allocation of regular resources in 2004 and beyond. The proposed changes had been designed, inter alia, to: (a) improve the existing TRAC-1 distribution methodology; (b) further increase focus on low-income and least developed countries (LDCs); (c) strengthen the role of UNDP in United Nations system coordination; (d) provide a greater flexibility in the context of results-based management process; (e) facilitate the ability of UNDP to respond to programme countries' request for advisory services within the framework of the Millennium development goals; (f) simplify the current arrangements; and (g) provide timely response to programme countries facing serious economic, financial and social crisis.

165. Many informal meetings and consultations preceded the intense debate at the annual session 2002. Delegations referred to decision 95/23 regarding the basic principles of neutrality, universality and multilateralism that characterize UNDP assistance to programme countries. They agreed, in principle, that the bulk of resources had to benefit low-income countries and LDCs and that countries in this category should not suffer a reduction in allocations. Some delegations sought clarification regarding the introduction of minimum TRAC-1 allocation of $350 000 to provide country offices with critical mass of regular resources.

166. Delegations agreed, in principle, that the method for allocating resources should be simple, flexible, transparent and, to the extent possible, universal. Some delegations suggested that, in certain instances, universality could be realized through multi-country or subregional arrangements. Other delegations wished to know more about the mechanism for graduating countries to net contributor country

(NCC) status. To harmonize the Programme Framework period with that of the Biennial Support Budget, some delegations recommended that the current financing arrangements should be extended to the end of 2004.

167. The Assistant Administrator, Bureau of Management, confirmed that the basic principles had been adhered to and the low-income countries and LDCs would continue to receive the bulk of regular resources. The allocation of a minimum of $350 000, he noted, had been chosen in order to respond to the urgent requests from country offices, taking into consideration what other United Nations organizations, such as the United Nations Children's Fund, had done. He also outlined the formula for allocating resources to different categories of programme countries. On the issue of graduation, he reported that some countries had already graduated to NCC status. Multi-country arrangements had already been established in some cases.

168. The Executive Board adopted decision 2002/10 (see annex) in which it requested, inter alia, that further clarifications and additional alternative scenarios should be submitted at its second regular session in September 2002.

XIII. Country programmes and related matters

169. The Executive Board reviewed the second regional cooperation framework for Europe and the Commonwealth of Independent States (2002-2005) (DP/RCF/REC/2); nineteen country programme outlines (CPOs); five country cooperation frameworks (CCFs); the extensions of CCFs for Cuba and Thailand (DP/2002/22) and the request by Argentina (DP/2002/CRP.9).

170. Delegations endorsed the proposed strategy and the three areas of concentration: democratic, economic and environmental governance of the regional cooperation framework for Europe and the Commonwealth of Independent States. They also appreciated the comprehensive consultation process among the relevant stakeholders, namely Governments, regional institutions and non-state actors.

171. The Executive Board approved the second regional cooperation framework for Europe and the Commonwealth of Independent States (DP/RCF/REC/2).

172. Regarding the country programme outlines, delegations expressed the need to rationalize and focus on a few areas in which UNDP had a comparative advantage in order to optimize the impact of the programme and to avoid duplication with programmes supported by other donors. Delegations emphasized the need for further coordination of United Nations system efforts at the local level through further harmonization of programming periods and joint programming.

173. The consultation process, in many cases, left room for improvement. It was suggested that UNDP should promote comprehensive consultations and improve communications with other partners, especially at the country level.

174. The allocation of resources among the priority areas attracted some attention. It was recommended that every effort should be made to ensure equitable distribution among the sectors being supported.

175. The role of UNDP in regional development processes and initiatives and in South-South cooperation was stressed.

176. Building partnerships at the local level, in particular with CSOs and the private sector, was encouraged.

177. The respective bureaux immediately sent their comments on each country programme outline to the country offices concerned for incorporation into the final programme.

178. The Bureau of the Executive Board of UNDP and UNFPA decided at its meeting on 17 July 2002 that the present report would only cover the general issues of the debate whereas detailed comments on individual country programme outlines would be posted on the web site of the Executive Board secretariat at www.undp.org/execbrd/index.htm.

179. The Executive Board took note of the nineteen country programme outlines and comments made thereon as well as the extensions of the country cooperation frameworks for Cuba and Thailand (DP/2002/22).

180. The five CCFs were approved on a no-objection basis, since there were no requests from the five members of the Executive Board to discuss a particular CCF.

181. Because of its current economic and financial crisis, the Government of Argentina requested that the Executive Board suspend its status as net contributor country. The request received wide support from members of the Board.

182. The Executive Board adopted decision 2002/11 (see annex) and requested that UNDP set up a special trust fund so that Argentina could benefit from technical assistance.

XIV. United Nations Volunteers

183. The Executive Coordinator, United Nations Volunteers (UNV), introduced the report (DP/2002/18), highlighting key activities carried out during the biennium 2000-2001, including the role of UNV as focal point for the International Year of Volunteers (IYV) 2001. Among the key outcomes of the Year were increased awareness of the contributions of volunteerism to economic and social development; greater appreciation of the importance of civic engagement; and the strengthening of volunteer networks. In recognition of the pivotal role of volunteerism, 126 Member States co-sponsored General Assembly resolution 56/38 on ways in which Governments and the United Nations system could support volunteering. Concluding her remarks, the Executive Coordinator noted that significant strides had been made in gaining recognition of the power and value of volunteer action from institutions focusing on social development. UNV would continue to build on this success to ensure that volunteer contributions were equally appreciated and recognized among institutions dealing with economic development. In 2001, UNV also achieved its fifth successive year of growth with 5 090 UNV volunteers representing 160 nationalities carrying out 5 432 assignments in 140 countries.

184. Delegations commended the high quality of the report and the informative introduction. They appreciated the continued growth of the Programme and its contribution to development cooperation. As an important component of strategies dealing with sustainable development as well as disaster prevention and management, Governments and United Nations organizations were urged to embrace

fully the concept of volunteerism and harness that untapped potential, including in efforts to achieve the Millennium development goals.

185. Programme countries acknowledged the value-added of volunteer contributions to their development efforts, in particular the strengthening of local capacities and the fostering of national ownership. Many reaffirmed the value of UNV as a channel for South-South cooperation, noting that the broadened understanding and experience which UNV volunteers acquired during their assignments served as a catalyst to further development upon their return home.

186. United Nations organizations present at the annual session underscored the importance of volunteerism in achieving their objectives and voiced their appreciation of the spirit of service, dedication and motivation exemplified by UNV volunteers. Noting the crucial role that volunteer action already played in helping mitigate the effects of the HIV/AIDS epidemic, a call was made to draw more extensively on volunteers in future programme activities.

187. While recognizing the challenge of evaluating the contributions of UNV volunteers in activities managed by other United Nations organizations, delegations encouraged UNV to develop further mechanisms to assess the impact of its work. Delegations commended the initiatives taken to broaden opportunities for more people to volunteer their time and services for development, including on-line volunteering, university volunteer schemes, corporate volunteering and the intern programme. UNV was encouraged to pursue further its collaboration with the private sector, in particular in activities relating to corporate social responsibility. There was widespread support for pilot initiatives undertaken with resources from the Special Voluntary Fund. Many speakers requested additional funds to continue projects that demonstrate the relevance and value-added of volunteers and volunteerism as a force for development. UNV was highly commended for its role as focal point for IYV 2001, in particular its work with intergovernmental bodies, its support to national IYV committees and the setting up of the IYV web site.

188. The Executive Coordinator assured the Executive Board that UNV would continue to strengthen its performance reporting framework, noting that developments were advanced to issue an automated periodic reporting system. She also advised that the contributions of volunteers already form part of the UNDP results-oriented annual report.

189. Regarding support to the United Nations Information Technology Service (UNITeS), the Executive Coordinator noted that while financing had not been as forthcoming as expected, support from some Governments had enabled the mobilization of some 100 UNV volunteers to date. Emerging partnerships with universities would further strengthen the cadre of volunteers for building capacity on the use and applications of information and communication technology (ICT) for development. She confirmed that UNV was a member of the United Nations ICT Task Force.

190. The Executive Coordinator confirmed that UNV would continue to promote the goals of the Year through, inter alia, the transformation of the IYV web site into a volunteer portal. She also confirmed that all UNV volunteers were fully integrated into the United Nations security management system at the country level; and that UNV was a member of the interagency security network. The Executive Coordinator

thanked members of the Board for their continued support and for affirming that UNV was on the right track.

191. The Executive Board adopted decision 2002/12 (see annex).

XV. United Nations Office for Project Services
XVI. UNDP-UNOPS relationship
VII. Internal audit and oversight (UNOPS)

192. The Executive Board considered all items together: the annual report of the Executive Director on the activities of the United Nations Office for Project Services (UNOPS) (DP/2002/19); UNOPS financial, budgetary and administrative matters - ad hoc submission of revised budget estimates for the year 2002 (DP/2002/CRP.10); report of the Working Group of the Management Coordination Committee on UNOPS (DP/2002/CRP.12); report of the Board of Auditors to the General Assembly on the accounts of the UNOPS for the biennium ended 31 December 2001 (DP/2002/CRP.13); the joint report of the UNDP Administrator and the UNOPS Executive Director on the progress achieved in the implementation of Executive Board decision 2002/2 concerning the UNDP-UNOPS relationship (DP/2002/CRP.11) and the report of the Executive Director on internal audit and oversight (DP/2002/13 and DP/2002/13/Add.1).

193. The Administrator of UNDP, who is also the chairman of the Management Coordination Committee (MCC), and the Executive Director of UNOPS both addressed the current difficult financial situation of UNOPS and the additional oversight mechanism put in place to deal with the situation. They also reported that budgetary and management measures had been introduced to streamline and achieve a balanced budget in 2002, without jeopardizing the quality of service. The Executive Director emphasized the advantages to all United Nations system partners of dividing labour and sharing responsibility in the implementation of projects on the basis of respective strengths. The Executive Board recalled the commitment by the Secretary-General to encourage United Nations entities to work through UNOPS, provided that it was cost-effective to do so (see document DP/2002/CRP.5).

194. Delegations recalled the need for a self-financing organization in the United Nations system and reiterated their support for the work of UNOPS as a separate and identifiable entity open to the entire United Nations system. They also welcomed the steps that had been taken to ensure a balance between income and expenditure in the 2002 budget, to diversify the clientele of UNOPS and to restore the level of the operational reserve. Several delegations referred to UNOPS as an innovator and paid tribute to the spirit and motivation of UNOPS staff, who represent the organization's capital. The Executive Board welcomed recent efforts to improve oversight by the MCC and its Working Group and encouraged them along with UNOPS, within their respective mandates, to continue monitoring the implementation of the revised budget. The Board also called for an external, independent review of the business model under which UNOPS operated in order to secure its long-term viability, transparency, cost-effectiveness and adequate response to the demands of the organizations of the United Nations system.

195. The Executive Board adopted decision 2002/13 (see annex), in which it requested UNOPS to undertake a range of activities and report back at the second regular session in September 2002.

XVII. Other matters

Informal consultations

196. Informal consultations were held on the system-wide approach and coordination in addressing HIV/AIDS, with the participation of the International Labour Organization, the secretariat of the Joint United Nations Programme on HIV/AIDS, the United Nations Development Programme, the United Nations Population Fund, the World Health Organization and the country offices of Cambodia and Swaziland.

197. Informal consultations were also held on improving the working methods of the Executive Board and on progress in the implementation of the Doha development agenda and trade-related assistance and capacity-building, with the participation of the International Trade Centre, the United Nations Conference on Trade and Development, UNDP and the World Trade Organization.

Decision on the least developed countries

198. The Exectuive Board adopted decision 2002/14 (see annex) on the Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

Annex: decisions adopted at the annual session 2002

2002/5
UNFPA annual report and funding commitments

The Executive Board

1. *Welcomes* the report of the Executive Director for 2001 (DP/FPA/2002/4, Parts I–IV) and the report on funding commitments to the United Nations Population Fund (UNFPA) (DP/FPA/2002/5);

2. *Notes* with appreciation the progress made by UNFPA in the implementation of the multi-year funding framework;

3. *Welcomes* the comprehensive transition process;

4. *Welcomes* the initial implementation of a results-based approach and encourages UNFPA to make further progress in this area;

5. *Underlines* that UNFPA plays a crucial role, within its mandate, in helping recipient countries to achieve the unanimously agreed goals and targets contained in the International Conference on Population and Development (ICPD) Programme of Action,[1] ICPD+5[2] and the Millennium Declaration;

6. *Recognizes* that UNFPA contributes to sustainable development, in particular poverty eradication, by helping recipient countries address population dynamics and reproductive health issues;

7. *Expresses* its concern that the income projections to date for 2002 have declined as compared to the previous financial year;

8. *Urges* all countries to recognize the important role, within its mandate, of UNFPA in the forthcoming World Summit on Sustainable Development and the follow-up thereof;

9. *Emphasizes* that UNFPA needs strong political and financial support as well as increased, stable and predictable core funding, in order to carry out its mandate effectively;

10. *Encourages* UNFPA to mobilize additional financial resources, from all sources, inter alia, bilateral donors, recipient countries, foundations, corporations and from other segments of civil society;

11. *Encourages* all countries, in the spirit of the Monterrey Consensus, to further their support for UNFPA, including through greater advocacy and increased funding, in particular to the Fund's core resources;

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[1] Report of the International Conference on Population and Development, Cairo, 5-13 September 1994, (United Nations publication, sales no. E.95.XIII.18, chapter I, resolution 1, annex).

[2] General Assembly resolution A/RES/S-21/2, Key actions for the further implementation of the Programme of Action of the International Conference on Population and Development, adopted on 8 November 1999.

12. *Encourages* all countries, in a position to do so, to make contributions early in the year and to make multi-year pledges;

13. *Welcomes* UNFPA efforts to broaden its donor base and encourages the organization to continue in these efforts.

21 June 2002

2002/6
UNFPA and sector-wide approaches

The Executive Board

1. *Takes note* of the report on UNFPA and sector-wide approaches (DP/FPA/2002/6);

2. *Encourages* UNFPA, where requested by recipient countries, to increase its involvement in sector-wide approaches;

3. *Requests* UNFPA, within its mandate, to contribute, at the request of the recipient countries, to national activities, including sector-wide approaches, in order to strengthen the implementation of the International Conference on Population and Development Programme of Action[1] toward the attainment of the Millennium Development Goals (MDGs);

4. *Requests* the Executive Director to outline progress achieved in the Annual Report.

21 June 2002

2002/7
Internal audit and oversight for UNDP and UNFPA

The Executive Board

Encourages the Administrator and the Executive Director to take the necessary steps to address the issues contained in the reports on internal audit and oversight (DP/2002/12 and DP/FPA/2002/8) and report to the Board at the annual session 2003 in the context of their respective reports on internal audit and oversight.

21 June 2002

[1] Report of the International Conference on Population and Development, Cairo, 5-13 September 1994 (United Nations publication, sales no. E.95.XIII.18, chapter I, resolution 1, annex).

2002/8
Annual report of the Administrator for 2001, including the results-oriented annual report (ROAR)

The Executive Board

1. *Expresses* appreciation for the annual report of the Administrator, including the results- oriented annual report (DP/2002/15), stressing that it is informative and accessible;

2. *Recognizes* that the United Nations Development Programme continues to lead in the effort to apply results-based management within the United Nations system and *endorses* and *encourages* the sharing of UNDP experience in results-based management with other members of the United Nations system and with programme countries;

3. *Commends* the candour with which the United Nations Development Programme acknowledged shortcomings, particularly in the area of gender mainstreaming, and *welcomes* their intention to address these shortcomings;

4. *Appreciates* that the results-oriented annual report offers a good overview of activities being undertaken in the six mandated goals and *encourages* UNDP to continue to improve the results-oriented annual report;

5. *Recognizes* the important role of the United Nations Development Programme in the implementation of the international development goals and targets of the Millennium Declaration and *encourages* the United Nations Development Programme to incorporate in the results-oriented annual report: (a) information on the results of UNDP activities linked with the resources allocated to the same; (b) the methodology used by the United Nations Development Programme to assess its role in progress towards achieving the international development goals and targets of the Millennium Declaration; (c) measurement of its role in progress towards achieving the international development goals and targets of the Millennium Declaration;

6. *Also suggests* that the results-oriented annual report, as an annual outcome report of the multi-year funding framework, could be a powerful tool for advocacy to demonstrate the important work of the United Nations Development Programme as well as a stimulus to increase core resources;

7. *Expresses* keen interest in the methodology adopted to assess performance of the United Nations Development Programme and *encourages* the United Nations Development Programme to explore analytical options with regard to the data basis and the comparability of data between countries and regions;

8. *Encourages* the United Nations Development Programme to initiate the process of developing the next multi-year funding framework, taking into account, inter alia, the Millennium Declaration, the outcomes of major United Nations conferences and experiences gained in the implementation of the current multi-year funding framework;

9. *Requests* that the Administrator continue to follow-up on the recommendations contained in the reports of the Joint Inspection Unit (DP/2002/15/Add.1).

27 June 2002

2002/9
UNDP core funding strategy

The Executive Board

1. *Reaffirms* its decisions 98/23, 99/1 and 99/23, which set in place a funding system for the United Nations Development Programme designed to generate transparent dialogue on regular funding and facilitate greater volume and enhanced predictability;

2. *Welcomes* the increase in the overall resources of the United Nations Development Programme recorded in 2001, while reiterating that core resources are the bedrock of the United Nations Development Programme and essential to maintaining the multilateral and universal nature of its work;

3. *Recognizes* that, in light of the Monterrey Consensus, there exists a unique opportunity to examine the future funding of the multilateral organizations working in development in a comprehensive and holistic manner.

27 June 2002

2002/10
Programming arrangements

The Executive Board

1. *Reaffirms* the fundamental characteristics of the operational activities of the United Nations development system, which are, inter alia, universality, neutrality, multilateralism and its voluntary and grant nature;

2. *Takes note* of document DP/2002/17 on the issues and principles for possible improvements in the present programming arrangements and *requests* the Administrator to submit at the second regular session 2002 a report with further clarifications on the various questions raised by the Members of the Executive Board at the annual session 2002;

3. *Endorses* the proposal to move from a three-year programme financial framework to a four-year framework for the period commencing in 2004, with the purpose to ensure that, in the future, proposals for the UNDP biennial support budget and the financial framework for regular programme resources are submitted at the same Executive Board session at least every four years;

4. *Invites* the Administrator to submit, within the context of the preparations of the next cycle of the multi-year funding framework, a proposal for future synchronization of the processes leading to the endorsement of future multi-year funding frameworks and programme financial frameworks;

5. *Requests* the Administrator to provide the Executive Board at its second regular session 2002 with proposals for possible recalculations of the target for resource assignment from the core 1.1.1 earmarkings in the course of the four-year framework period and to propose in this context also an arrangement to recalculate such earmarkings for countries that have seen a significant change in their gross national income per capita, as well as benchmarks to define such a change as significant.

27 June 2002

2002/11
Request by Argentina

The Executive Board

1. *Takes note* of the request by Argentina contained in document DP/2002/CRP.9;

2. *Expresses its deep concern* about the serious economic downturn in Argentina since early 2002;

3. *Recognizes* the considerable estimated decline in the gross national income per capita and the resulting rise in the social and economic hardship for the population;

4. *Decides* to provisionally suspend, on an exceptional basis, the status of Argentina as a net contributor country (NCC) and the NCC financial obligations as outlined in document DP/2002/CRP.9 with immediate effect, pending certification by the World Bank of the gross national income per capita for 2002;

5. *Requests* the United Nations Development Programme to set up a special trust fund so that Argentina may benefit from technical assistance and upstream policy advice from the United Nations Development Programme with immediate effect;

6. *Requests* the Administrator to provide the Executive Board at its second regular session 2002 with proposals for possible recalculations of the target for resource assignment from the core 1.1.1 earmarkings in the course of the four-year framework period, and to propose, in this context, also an arrangement to recalculate such earmarkings for countries that have seen a significant change in their gross national income per capita, as well as benchmarks to define such a change as significant.

27 June 2002

2002/12
United Nations Volunteers

The Executive Board

1. *Expresses* appreciation for the activities of the United Nations Volunteers programme during the 2000-2001 biennium and the achievement for the first time of over 5,000 serving volunteers in its thirtieth anniversary year;

2. *Welcomes* the contribution of the United Nations Volunteers programme to raising awareness among the international community and within the United Nations system of the importance of volunteerism in addressing the full range of development challenges;

3. *Recognizes* the role of the United Nations Volunteers programme as a facilitator of South-South exchange and as a window of opportunity for global citizens to engage as volunteers in United Nations activities for peace and development;

4. *Reaffirms* the importance of the Special Voluntary Fund in enabling the United Nations Volunteers programme to continue its work in piloting initiatives that demonstrate the role that volunteerism and volunteers play in development;

5. *Commends* the United Nations Volunteers programme on its work as focal point for the International Year of Volunteers and *encourages* its continued support for the recognition, facilitation, networking and promotion of volunteering.

27 June 2002

2002/13
United Nations Office for Project Services

The Executive Board

1. *Reaffirms* its decision 2002/2 on the relationship between the United Nations Development Programme and the United Nations Office for Project Services;

2. *Recalls* the commitment by the Secretary-General to encourage United Nations entities to work through the United Nations Office for Project Services as contained in document DP/2002/CRP.5;

3. *Regrets* the late availability, in all languages, of documents pertaining to the United Nations Office for Project Services (DP/2002/19, DP/2002/CRP.10, DP/2002/CRP.11, DP/2002/CRP.12, DP/2002/CRP.13);

4. *Expresses its deep concern* that UNOPS expenditures were not aligned to project and other service income, resulting in a $5.6 million deficit in 2001, rendering the level of the operational reserve substantially below the level required by decision 2001/14;

5. *Notes with concern* the sizeable projected deficit that was anticipated in March 2002 for calendar year 2002, which is addressed in the revised budget presented in document DP/2002/CRP.10;

6. *Approves* the revised budget for 2002 contained in document DP/2002/CRP.10;

7. *Requests* the United Nations Office for Project Services to report to the Executive Board at its second regular session in September 2002 on the implementation of the revised budget for 2002 and revisions to the budget for the second year of the biennium 2002-2003;

8. *Regrets* that the Advisory Committee on Administrative and Budgetary Questions could not be consulted before the annual session of the Executive Board in June 2002 and *invites* the Advisory Committee on Administrative and Budgetary Questions to provide to the Executive Board at its second regular session in September 2002 their comments on all relevant documents requested by the Executive Board in this decision, including the revised budget for 2002 and the revisions for the second year of the biennium 2002-2003;

9. *Welcomes* the recent efforts to improve oversight by the Management Coordination Committee and the MCC Working Group on the United Nations Office for Project Services and *encourages* the Management Coordination Committee, the Working Group and the United Nations Office for Project Services, within their respective mandates, to continue to monitor the implementation of the revised budget;

10. *Takes note of* the recent establishment of the expanded Management Coordination Committee;

11. *Welcomes* the report of the Board of Auditors to the General Assembly on the accounts of the United Nations Office for Project Services for the biennium ended December 2001 (DP/2002/CRP.13);

12. *Notes with concern* that the opinion of the Board of Auditors is unqualified on the financial statements for 2000-2001, yet modified due to an emphasis of matter drawing attention to the risks that exist regarding the future of the United Nations Office for Project Services;

13. *Also notes* that the Board of Auditors qualified its opinion on the non-compliance of the United Nations Office for Project Services with Executive Board decision 2001/14 regarding the level of the operational reserve;

14. *Requests* the United Nations Office for Project Services to develop a clear and definite action plan on savings from the projected staff cuts, in full compliance with United Nations Staff Rules and Regulations as recommended by the Board of Auditors, to be presented to the Executive Board at its second regular session in September 2002;

15. *Notes with concern* the information contained in the report of the Board of Auditors (DP/2002/CRP.13) on the past and projected financial situation of the United Nations Office for Project Services, including the substantial unfunded liabilities regarding end-of-service benefits, which were not included in the financial statements;

16. *Requests* the United Nations Office for Project Services to prepare a contingency plan to address measures to be taken in the event of the operational reserve being unable to absorb possible deficits, to be approved by the Executive Board at its second regular session in September 2002;

17. *Urges* the United Nations Office for Project Services, as a self-financing entity, to review the basis and calculation of the cost of its services with a view to ensuring that all costs are identified and recovered;

18. *Requests* the United Nations Office for Project Services to implement the recommendations of the Board of Auditors and to report on its implementation plan and the progress made to the Executive Board at its second regular session in September 2002;

19. *Encourages* the United Nations Office for Project Services, with the help of the Management Coordination Committee and potential clients, and based on the commitment of the Secretary-General, to further diversify its client portfolio;

20. *Requests* the Management Coordination Committee and the United Nations Office for Project Services to submit to the Executive Board for review and approval at its second regular session in September 2002 the draft terms of reference and a timetable for an external, independent review of the UNOPS business model, its cost effectiveness and the scope for further expansion of business opportunities within the United Nations system in order to establish a framework for a sustainable United Nations Office for Project Services;

21. *Recalls* that all documentation must be provided six weeks in advance of the meetings of the Executive Board.

27 June 2002

2002/14
Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010

The Executive Board

1. *Welcomes* the endorsement of the Brussels Declaration (A/CONF.191/12) and the Programme of Action for the Least Developed Countries for the Decade 2001-2010 (A/CONF.191/11) by the United Nations General Assembly in its resolution 55/279 of 12 July 2001;

2 *Recalls* the fundamental characteristics of the operational activities of the United Nations as contained in United Nations General Assembly resolution 56/201 of 21 December 2001;

3. *Stresses* the need for continuing special attention by the United Nations Development Programme for the implementation of the Brussels Programme of Action;

4. *Invites* the UNDP Administrator to mainstream the implementation of the Brussels Programme of Action in UNDP activities within its programme of work as called for in United Nations General Assembly resolution 56/227, paragraph 4, as well as in UNDP managed funds activities, in particular in activities of the United Nations Capital Development Fund.

27 June 2002

2002/15
Overview of decisions adopted by the Executive Board at its annual session 2002

The Executive Board

Recalls that during the annual session 2002, it:

Item 1
Organizational matters

Approved the agenda and work plan for its annual session 2002 (DP/2002/L.2), as orally amended;

Approved the report of the first regular session 2002 (DP/2002/10);

Agreed to the following schedule of future sessions of the Executive Board in 2002 and 2003:

Second regular session 2002:	23-27 September 2002
First regular session 2003:	20-29 January 2003
Annual session 2003:	9-20 June 2003 (New York) *
Second regular session 2003:	8-12 September 2003

Held a UNFPA special event on "The role of women and men in reproductive health in post-conflict situations, with a specific focus on the Great Lakes Region";

UNFPA segment

Item 2
Report of the Executive Director for 2001

Adopted decision 2002/5 of 21 June 2002 on the annual report of the Executive Director for 2001 and funding commitments;

* Approved on a provisional basis, to be taken up at an upcoming meeting of the Bureau of the Executive Board.

Item 3
Funding commitments to UNFPA

Adopted decision 2002/5 of 21 June 2002 on the annual report of the Executive Director for 2001 and funding commitments;

Item 4
UNFPA and sector-wide approaches

Adopted decision 2002/6 of 21 June 2002 on UNFPA and sector-wide approaches;

Item 5
Evaluation

Took note of the UNFPA periodic report on evaluation activities (DP/FPA/2002/7);

Item 6
Country programmes and related matters

Took note of the following country programme outlines and the comments made thereon:

Country programme outline for Cameroon	DP/FPA/CPO/CMR/4
Country programme outline for Côte d'Ivoire	DP/FPA/CPO/CIV/5
Country programme outline for Equatorial Guinea	DP/FPA/CPO/GNQ/4
Country programme outline for Mali	DP/FPA/CPO/MLI/5
Country programme outline for Mauritania	DP/FPA/CPO/MRT/5
Country programme outline for Nigeria	DP/FPA/CPO/NGA/5
Country programme outline for Bangladesh	DP/FPA/CPO/BGD/6
Country programme outline for India	DP/FPA/CPO/IND/6
Country programme outline for Papua New Guinea	DP/FPA/CPO/PGN/3
Country programme outline for Djibouti	DP/FPA/CPO/DJI/2
Country programme outline for Jordan	DP/FPA/CPO/JOR/6
Country programme outline for Bolivia	DP/FPA/CPO/BOL/4
Country programme outline for El Salvador	DP/FPA/CPO/SLV/5
Country programme outline for Venezuela	DP/FPA/CPO/VEN/1

Approved the following programmes of assistance:

Assistance to the Government of the Central African Republic	DP/FPA/CAF/5
Assistance to the Government of Egypt	DP/FPA/EGY/7
Assistance to the Government of Tunisia	DP/FPA/TUN/7
Assistance to the English- and Dutch-speaking Caribbean countries	DP/FPA/CAR/3

UNDP/UNFPA joint segment

Item 7
Internal audit and oversight

Adopted decision 2002/7 of 21 June 2002 on internal audit and oversight for the United Nations Development Programme and the United Nations Population Fund;

Took note of the report on internal audit and oversight for the United Nations Office for Project Services (DP/2002/13/Add.1);

Item 8
Reports on field visits

Took note of the report on the field visit to Senegal (DP/2002/CRP.6);

Took note of the briefing on the field visit to Viet Nam;

UNDP segment

Item 9
Annual report of the Administrator

Adopted decision 2002/8 of 27 June 2002 on the annual report of the Administrator for 2001, including the results-oriented annual report;

Item 10
United Nations Capital Development Fund

Took note of the results-oriented annual report of the United Nations Capital Development Fund (DP/2002/14);

Item 11
Funding commitments

Adopted decision 2002/9 of 27 June 2002 on UNDP core funding strategy;

Item 12
Programme financing

Adopted decision 2002/10 of 27 June 2002 on programming arrangements;

Item 13
Country programmes and related matters

Approved the second regional cooperation framework for Europe and the Commonwealth of Independent States (DP/RCF/REC/2);

Took note of the following country programme outlines and comments made thereon:

First country programme outline for Botswana	DP/CPO/BOT/1
First country programme outline for Cameroon	DP/CPO/CAM/1
First country programme outline for Comoros	DP/CPO/COM/1
First country programme outline for Equatorial Guinea	DP/CPO/EQG/1
First country programme outline for Côte d'Ivoire	DP/CPO/CVI/1
First country programme outline for Guinea Bissau	DP/CPO/GBS/1
First country programme outline for Liberia	DP/CPO/LIB/1
First country programme outline for Mali	DP/CPO/MLI/1
First country programme outline for Nigeria	DP/CPO/NIR/1
First country programme outline for the Seychelles	DP/CPO/SEY/1
First country programme outline for India	DP/CPO/IND/1
First country programme outline for Malaysia	DP/CPO/MAL/1
First country programme outline for Papua New Guinea	DP/CPO/PNG/1
First country programme outline for Mauritania	DP/CPO/MAU/1
First country programme outline for Bolivia	DP/CPO/BOL/1
First country programme outline for Cuba	DP/CPO/CUB/1
First country programme outline for the Dominican Republic	DP/CPO/DOM/1
First country programme outline for Panama	DP/CPO/PAN/1
First country programme outline for Venezuela	DP/CPO/VEN/1

Approved the following country cooperation frameworks:

Second country cooperation framework for Ethiopia	DP/CCF/ETH/2
Second country cooperation framework for Algeria	DP/CCF/ALG/2
Second country cooperation framework for Lebanon	DP/CCF/LEB/2
Second country cooperation framework for Belize	DP/CCF/BEL/2
Second country cooperation framework for Honduras	DP/CCF/HON/2

Took note of the extensions of country cooperation frameworks for Cuba and Thailand (DP/2002/22);

Adopted decision 2002/11 of 27 June 2002 on the request by Argentina;

Item 14
United Nations Volunteers

Adopted decision 2002/12 of 27 June 2002 on the United Nations Volunteers;

Item 15 United Nations Office for Project Services
Item 16 UNDP-UNOPS relationship
Item 7 Internal audit and oversight

Adopted decision 2002/13 of 27 June 2002 on the United Nations Office for Project Services;

Item 17
Other matters

I. Informal consultations

Held informal consultations on the system-wide approach and coordination in addressing HIV/AIDS (with the participation of the International Labour Organization, the secretariat of the Joint United Nations Programme on HIV/AIDS, the United Nations Development Programme, the United Nations Population Fund, the World Health Organization and the country offices of Cambodia and Swaziland).

Held informal consultations on improving the working methods of the Executive Board.

Held informal consultations on progress in the implementation of the Doha development agenda and trade-related assistance and capacity-building (with the participation of the International Trade Centre, the United Nations Conference on Trade and Development, the United Nations Development Programme and the World Trade Organization).

II. Decision on the least developed countries

Adopted decision 2002/14 of 27 June 2002 on Brussels Programme of Action for the Least Developed Countries for the Decade 2001-2010.

27 June 2002

Executive Board of UNDP/UNFPA
Second regular session 2002
23 to 27 September 2002

Item 1. Organizational matters
- Adoption of the agenda and agreement on the work plan

UNDP segment

Item 2. Financial, budgetary and administrative matters
- Annual review of the financial situation, 2001
- Detailed information relating to the annual review of the financial situation, 2001
- Information on United Nations system technical cooperation expenditures, 2001
- Information on United Nations system technical cooperation expenditures, 2001 – Addendum

Item 3 Programming arrangements
- Reports included in the implementation of decision 2002/10:
- Further clarifications on the issues and principles for possible improvements in the present programming arrangements
- Proposals for possible recalculations of the target for resource assignment from the core 1.1.1 earmarkings for the four-year framework period

Item 4. Evaluation
- Annual report of the Administrator on evaluation

Item 5. Country programmes and related matters
- First country programme outlines for Cape Verde, Central African Republic and the Democratic Republic of the Congo
- First country programme outlines for Bahrain, Jordan and the Libyan Arab Jamahiriya
- First country programme outlines for East Timor, Maldives and Samoa
- First multi-country programme outlines for Fiji and the Cook Islands, Tokelau and Niue
- Second country cooperation frameworks for Egypt and Sudan
- Second country cooperation frameworks for Argentina, Costa Rica, El Salvador, Mexico, Nicaragua and Suriname
- Assistance to Somalia
- Assistance to Myanmar

Item 6. UNOPS: Financial, budgetary and administrative matters

Reports included in the implementation of decision 2002/13:
- Implementation of the revised budget for 2002 and revisions to the budget for 2003
- ACABQ comments on all relevant documents requested by the Executive Board
- Action plan on savings from projected staff cuts
- Contingency plan with regard to the level of operational reserve
- Report on progress in the implementation of recommendations of the Board of Auditors
- Draft terms of reference and timetable for an external independent review of the UNOPS business model

UNDP/UNFPA segment

Item 7. Field visits

Report on the joint field visit to Viet Nam (UNDP/UNFPA and UNICEF)

UNFPA segment

Item 8. **Financial, budgetary and administrative matters**

- **Revised biennial support budget proposals for 2002-2003**
- **Report of the Advisory Committee on Administrative and Budgetary Questions on the UNFPA revised biennial support budget proposals for 2002-2003**

Item 9. **UNFPA human resources development strategy**

Item 10. **Annual financial review**

- **Annual financial review, 2001**

Item 11. **Country programmes and related matters**

- **Country programme outlines for Botswana, Burundi, Comoros and Guinea-Bissau**
- **Country programme outlines for China, East Timor and Maldives**
- **Regional programme for the Pacific**

Item 12. **Other matters**